

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2006

Department of Solid Waste Management

A Department of Miami-Dade County, Florida

Prepared by the Accounting Division





Department of Solid Waste Management A Department of Miami-Dade County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2006

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INTRODUCTORY SECTION (UNAUDITED)



Carlos Alvarez Mayor

Board of County Commissioners



Bruno A. Barreiro Chairman District 5



Dorrin D. Rolle District 2



Audrey M. Edmonson District 3



Sally A. Heyman



Barbara J. Jordan Vice Chairman District 1



Rebeca Sosa



Carlos A. Gimenez District 7



Katy Sorenson District 8



Dennis C. Moss District 9



Sen. Javier D. Souto District 10



Joe A. Martinez District 11



José "Pepe" Diaz District 12



Natacha Seijas District 13



George M. Burgess County Manager



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ADA Coordination Agenda Coordination Animal Services Art in Public Places

Audit and Management Services

Building Code Compliance Business Development

Capital Improvements Construction Coordination Citizens' Independent Transportation Trust Commission on Ethics and Public Trust

> Communications Community Action Agency

Community & Economic Development

Community Relations

Consumer Services Corrections & Rehabilitation

Cultural Affairs

Elections

Emergency Management

Employee Relations

Empowerment Trust

Enterprise Technology Services Environmental Resources Management

Fair Employment Practices

Finance

Fire Rescue

General Services Administration

Historic Preservation

Homeless Trust

Housing Agency

Housing Finance Authority

Human Services Independent Review Panel

International Trade Consortium

Juvenile Assessment Center

Medical Examiner

Metro-Miami Action Plan Metropolitan Planning Organization

Park and Recreation

Planning and Zoning

Police

Procurement Management

Property Appraiser

Public Library System

Public Works Safe Neighborhood Parks

Solid Waste Management

Strategic Business Management

Team Metro

Task Force on Urban Economic Revitalization Vizcaya Museum And Gardens

Water & Sewer

The Honorable Carlos Alvarez, Mayor

The Honorable Chairperson and Members Board of County Commissioners

Mr. George M. Burgess County Manager

March 16, 2007

Mr. Harvey Ruvin, Clerk Board of County Commissioners Miami-Dade County, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (the "Report") from the Department of Solid Waste Management (the "Department"/"DSWM") for the fiscal year ended September 30, 2006 is hereby submitted. This report is published in accordance with Florida Statutes and the resolution covering the issuance of indebtedness by the Department. Pursuant to those requirements, we have issued this Report of the Department presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by a firm of licensed certified public accountants.

This Report consists of Management's representations concerning the finances of the Department. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this Report. To provide a reasonable basis for making these representations, the Department's management has established a comprehensive internal control framework that is designed both to protect the Department's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Department's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed their benefits, the Department's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Department's financial statements have been audited by KPMG LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Department for the fiscal year ended September 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Department's financial statements for the fiscal year ended September 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of the Department was part of a broader, federally mandated Single Audit of Miami-Dade County, Florida (the "County"/ "Miami-Dade") designed to meet the special needs of federal grantor agencies. The Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Miami-Dade County, Florida's separately issued Single Audit Report.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The Department's MD&A can be found immediately following the report of the independent auditors in the Financial Section.

Profile of the Department of Solid Waste Management

The Department

In January 1989, the Board passed Administrative Order 9-1 creating the Metropolitan Dade County





Department of Solid Waste Management (now the Miami-Dade County Department of Solid Waste Management), by merging the Department of Solid Waste Collection and the Solid Waste Disposal Division of the Public Works Department into a single agency. The Department of Solid Waste Management's principal responsibilities may be categorized as: (1) collection, (2) transfer, (3) disposal and (4) recycling of municipal solid waste.

The Department primarily provides solid waste services to single-family residential units (including certain multi-family units such as duplexes) and a small number of commercial and multi-family accounts in the unincorporated portions of the County. The Department has entered into long-term interlocal agreements with 18 municipalities to provide solid waste disposal services. It also provides solid waste collection services to the City of Aventura, the Town of Cutler Bay, the

City of Doral, the City of Miami Gardens, the City of Sunny Isles Beach, the City of Sweetwater, the Town of Miami Lakes, the Village of Palmetto Bay and the Village of Pinecrest.

The Department is responsible for the operation of a variety of facilities, including Resources Recovery (waste-to-energy facility), landfills, transfer stations and neighborhood Trash & Recycling Centers. The Department is also responsible for meeting the State's countywide environmental compliance objectives, such as the State's 30% waste reduction goal, which is achieved primarily through recycling.

The System

The System comprises: (a) all property, real and personal now or in the future owned, leased (as lessor or lessee), operated or used by the County in providing the services of collecting, transferring, disposing and



recycling of solid waste. This property includes the County's solid waste collection, transfer, disposal and recycling facilities and all improvements, including all buildings, fixtures, equipment, and (b) contracts entered into by the County for the collection, transfer, disposal and recycling of solid waste.

The System does not include, at the option of the County, any solid waste system facility or equipment which may be acquired by the County subsequent to the date of the Original Ordinance and designated by the County as a "Separate System" on or prior to the date of acquisition.

The Department's Disposal and Collection Activities

Financial information for the disposal and collection activities is included in this report under Supplementary Financial Information. Because the Solid Waste System includes all properties, operations and obligations of the Department, the Management's Discussion and Analysis is presented for the System as a whole.

Operations, Facilities and Regulatory Responsibilities

Operations

The residential garbage collection program provides twice weekly garbage collection for residential units in unincorporated Miami-Dade County, the City of Sweetwater under an interlocal agreement, the Village of Pinecrest, the City of Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens, the City of Doral and the Town of Cutler Bay (all these pursuant to Ordinance No. 96-30), and the City of Aventura. Commercial and multi-family residential establishments may contract with the Department for collection services; the multi-family curbside garbage service provides for twice per week garbage collection.

The Department provides two types of residential container service: "manual residential container service" and "automated residential container service".

The manual residential container service provides unlimited set-out of bundled tree limbs (four (4) feet in length or under; no single item over 50 pounds), bags or containers which are serviced by the garbage collection service. The automated residential container service provides limited set-out utilizing a county provided container. The residential customer may purchase additional containers or request smaller containers for their use. All materials must be placed inside the containers and the lids must be closed in order to be serviced by the automated garbage collection vehicle.

The Department's residential service also includes access to any of the 13 trash and recycling centers ("T&R Centers") located throughout the unincorporated portion of the County. On an annual basis, residents can also request two pickups of up to 25 cubic yards each or combine the two additional pickups into one pickup of 50 cubic yards, if needed. Curbside collection of bulky waste for commercial accounts is available for an additional fee.

The residential recycling collection program provides for once per week curbside collection of recyclables. This activity reflects the costs of the recycling program including collection, processing, promotion, administration and marketing of recyclables.

There are two types of commercial collection services: "commercial minimum collection service" and "commercial container service". The commercial minimum collection service provides for twice per week service, limited to two (2) garbage cans or plastic bags per collection, per waste unit charged. The commercial container service provides for uncompacted rollaway container service with a varying number of pickups and container sizes.

The Department is responsible for operation and management of the County-owned solid waste disposal facilities with the exception of the Resources Recovery Facility, which is operated under a long-term agreement with Montenay-Dade, Ltd. ("Montenay"), a subsidiary of Veolia ES Waste-to-Energy, Inc. (formerly known as Montenay Power Corporation).

A portion of the solid waste generated in the County is delivered to the County's transfer stations by the Department, municipal and private collection vehicles, where it is reloaded into large transfer trailers for transportation to one of the County's three

disposal sites or contracted private disposal facilities. The transfer stations were designed to serve several purposes within the overall System.

These include the following:

- Reduce travel distance and transport time for waste collection vehicles.
- Reduce waiting time and traffic congestion at the Department's disposal facilities.
- Allow for system operating flexibility by providing shortterm storage capacity for solid waste prior to disposal.
- Enable the Department to comply with its various waste delivery obligations without directing municipal or private haulers to specific disposal facilities.

The Department of Solid Waste Management is responsible for enforcing Chapter 15 of the Miami-Dade County Code. This gives the DSWM the authority to regulate matters of illegal dumping and other aspects of solid waste collection and disposal. In FY 2006, the DSWM's Enforcement Division initiatives and projects included, but were not limited to, Hurricane Debris Removal South Dade Project and Close Out, Office of the Chair's Earth Dade and Illegal Dumping Initiative, and Getting To Know Your County Government. The Enforcement Division continues to conduct presentations on behalf of DSWM to the community and



county departments. Commercial outreach continues with regards to litter and insufficient garbage service and overflowing dumpsters. Enforcement of solid waste violations such as illegal dumping, unscheduled trash on the right-of-way, debris in front of residences, and vacant lots are still addressed per Chapter 15. The Enforcement Division is instrumental in providing public information to constituents regarding Department of Solid Waste service changes as we improve services to better serve our customers. The presence of Residential/Commercial Enforcement Officers in the neighborhoods has had a significant positive impact on the aesthetics of the communities.

During the FY 2006, the Residential/Commercial Enforcement Officers continued to visit businesses distributing brochures concerning litter. The officers also completed several commercial enforcement sweeps issuing Warning Notices of Violations for uncontainerized waste, insufficient waste service, or no waste service violations.

The Residential/Commercial Enforcement Officers continue to be proactive in addressing and investigating the issue of trash on the right-of-way. Enforce-

ment of vacant lots continues to be a challenge. The DSWM continues to develop community-oriented initiative that address illegal dumping. During FY 2006, the Division continued with Operation Vacuum Clean-ups (OVC's) a community partnership that encourages property owners to maintain their properties on a consistent basis. Timely reporting of illegally dumped debris by property owners prior to any enforcement actions results in the property owners not being held responsible for the cost of the debris removal.

The Enforcement Division, inclusive of Residential/ Commercial and Facilities Enforcement Officers and Administration, plays significant roles in the recovery efforts of hurricanes, tornadoes or any other significant occurrences. During hurricane recovery, officers were assigned many different duties, which included hurricane debris identification, monitoring and follow-up of areas to be cleaned, supervising private contractors and hauling monitors, measuring truck capacity, and responding to all complaints received by the Enforcement Division. The Division was instrumental in working with FEMA, to ensure Federal guidelines were followed. This effort covered all of the DSWM service areas.



The Enforcement Division continues to work cooperatively with other enforcement agencies within Miami-Dade County. They regularly conduct code enforcement sweeps with Miami-Dade Police Department's Illegal Dumping Section (IDIS), Team Metro, Department of Environmental Resources Management (DERM), the Health Department and others. The Enforcement Officers work closely with IDIS who utilize convicted illegal dumpers to clear litter and debris from some of the County's illegal dumping areas, known as "hot spots". To address the ongoing concern of illegal dumping, the Community Awareness Task Force (CATF) was formed in January 2006. This is an innovative multi-departmental and jurisdictional task force chaired by the DSWM. The goal of the CATF is to create best practices, increase public awareness, review and update codes and implement recommendations to thwart this negative behavior.

The Enforcement Officers assigned to the Department's three main disposal facilities (North Dade Landfill, South Dade Landfill and Resources Recovery) work closely with our Environmental Compliance Division, the Health Department, IDIS, DERM and others to control the types of material entering our facilities. The Permit section is part of the Enforcement Division. This increases the efforts to address the issue of haulers having current permits and streamlines the system of collecting information pertaining to businesses that are being serviced which are also required to have permits.

The Department is committed to pursuing allowable, cost-effective programs and activities that have positive environmental impacts. During FY 2006, it continued its project to optimize operation of equipment on the boilers at the Resources Recovery Facility (RRF), which is designed to meet the Clean Air Act standards, established by the United States Environmental Protection Agency (USEPA). The plant achieved an overall compliance with the CO (Carbon Monoxide) standard, currently set at 200 parts per million (ppm), of over 99%. This represents one violation among the four boilers for the entire year. The USEPA, under the mandatory periodic MACT (Maximum Achievable Control Technology) standard review adopted a change



in the CO standard for plants with technology differing from the original model plants. The new CO standard applicable to the plant is 250 ppm based on a 24 hour geometric mean. Adoption of this standard by reference by the Florida Department of Environmental Protection is anticipated in late FY 2007.

Montenay, the RRF plant operator, had previously entered into a Consent Order (OGC File No. 05-1530) to resolve issues in the following warning letters from the FDEP: WL04-0018AS13SED issued October 19, 2004; WL0007AS13SED issued February 24, 2004; WL04-0033AS13SED issued January 3, 2005; and WL05-0001AS13SED issued January 11, 2005, and other violations including a CO violation occurring on April 13, 2005, irregularities in stack testing methods, violations in visible emission standards and reporting deficiencies. The Order included penalties of \$113,600, which were satisfied via implementation of Pollution Prevention (P2) projects. The P2 projects have been implemented and the terms of the Consent Order between MPC and FDEP, which was executed on November 28, 2005, have been honored. The Order will be closed upon adoption by FDEP of the revised CO standard.

Three issues, which may result in regulatory action, occurred during the period. These were a single exceedence of the Sulfur Dioxide (SO2) standard, a single exceedence of the Opacity standard and a discovery of irregularities in administering and reporting the carbon feed rate to the Air Quality Control System (AQCS) for the period of 2003 through 2006. The latter issue, when discovered by MPC, was immediately self-reported to the FDEP.

During FY 2006 MPC began construction of a wastewater pretreatment system to resolve exceedences of the sewer discharge standards set by the County's regulatory Agency, Department of Environmental Regulation (DERM). Completion of the system is anticipated in mid-FY 2007.

Significant environmental programs such as operation of landfill gas control and groundwater remediation systems, groundwater monitoring, wetlands monitoring, exotics control and maintenance of the restored coastal and freshwater wetlands associated with the South Dade Landfill, Old South Dade Landfill, 58th Street Landfill, Ojus and the Resources Recovery Ashfill continued in FY 2006.

The groundwater remediation systems, which are operated by a contractor, achieved excellent availability with continuous operation except for minor interruptions due primarily to area-wide power outages and interruptions due to Hurricanes Katrina and Rita.

A portion of landfill gas system in the North Dade Landfill's East Cell was buried by the massive deposits resulting from the cleanups associated with the 2005 hurricane season. While the flaring system remained operational with excellent availability, some of the extraction wells and components were damaged by the activity and impaired the full function of the system; hence, during the months of August through October 2006 the Department reconstructed elements of the system to maintain compliance with the regulations. The regulatory agencies are aware of the situation. It is unknown whether regulatory enforcement will occur.

The Department's waste reduction and recycling programs are designed to reduce waste generation and maximize recyclable material recovery to achieve the State of Florida's 30% recycling goal. The Department continues to provide recycling programs that target all waste generators. The Department's waste reduction programs include pro-



grams for curbside recycling collection, home chemical collection, electronic recycling and a recyclable materials procurement policy that requires all County Departments to use recycled and recyclable materials where feasible. Recycling highlights include the recycling of approximately 34,000 tons of aluminum, ferrous and non-ferrous metal recovered at the Resources Recovery Facility. In addition, drop-off programs at neighborhood Trash and Recycling Centers contributed approximately 6,800 tons.

The Department's Home Chemical Collection (HC2) Centers are the only permanent centers in Miami-Dade County for residents to dispose of small quantities of chemical wastes typically generated by a household. These sites are dedicated to the collection of these wastes and are operated by trained personnel from the Department's Environmental Compliance Division. Additionally, the Centers can be operated by trained personnel from the County's current home chemical waste disposal vendor should the need arise. Materials received are sorted according to flammability, toxicity and corrosiveness, and then stored at the Centers for packaging, transport and disposal by an appropriate hazardous waste disposal vendor (currently EQ Florida). During FY 2006, at the Home Chemical Collection Centers and mobile events, Miami-Dade residents safely disposed of 101,900 pounds of hazardous wastes and roughly 125,400 gallons of latex paint, which were collected at the Centers. Additionally, residents were able to dispose of household batteries (e.g. Ni-Cd, alkaline, silver, mercury, metal hydride) by participating in the Department's Curbside Battery Recycling Program. They also disposed of 22,200 gallons of used oil by means of the Used Oil Collection sites at three different Trash and Recycling Centers (Moody Drive, Golden Glades and Snapper Creek) and the HC2 Center. During FY 2006, the Department conducted mobile events at the City of Homestead Solid Waste Operations yard. Lastly, 886,700 pounds of electronic waste, such as CPUs, computer monitors, TVs, etc. (collectively termed "e-waste"), were managed through a pilot program conducted at seven Trash and Recycling Centers and the HC2 Centers.

The Department delivered trash to the County's Resources Recovery Facility to be converted into a marketable biomass fuel. The Recyclable Trash Improve-



ment (RTI) plant has a capacity of 270,000 tons per year. This biomass fuel product is used to power a cogeneration facility in the City of South Bay, Florida. Since November 2001 biomass fuel is also delivered to a new customer, Ridge Energy in Auborndale, Florida. In October 2005, a third customer was contracted for biomass deliveries, Telogia in Telogia, Florida.

The annual amount of biomass fuel produced using the RTI system is contingent upon the facilities' demand for this fuel product. The recyclable trash delivered to the Resources Recovery Facility during FY 2006 was approximately 250,240 tons. The plant is expected to operate at full capacity during FY 2007.

Facilities

<u>Disposal Facilities</u>. The active elements of the solid waste disposal system are the following:

- Resources Recovery Facility owned by the County and operated under a Management Agreement with Montenay-Dade, Ltd., a subsidiary of Veolia ES Waste-to-Energy, Inc. (formerly known as Montenay Power Corporation).
- South Dade Landfill, a Class I garbage landfill owned and operated by the County.

- North Dade Landfill, a Class III trash-only landfill owned and operated by the County.
- Ash Landfill owned and operated by the County and located at the Resources Recovery Facility for the final disposition of ash produced by the Resources Recovery process.
- Contract disposal capacity at the Waste Management Landfill located in the Town of Medley, Florida (the "Medley Landfill") or the Central Disposal Facility located in Pompano Beach, Florida (Broward County) owned and operated by Waste Management.

Landfills: The Department operates three landfills: the South Dade Landfill, the North Dade Landfill and the Ash Landfill. The South Dade Landfill is permitted to accept garbage, trash and special wastes such as asbestos, sterile medical wastes, sewage sludge, shredded tires, pathological waste (dead animals), ash and contaminated soil. The North Dade Landfill is permitted to accept only waste that is not expected to produce leachate which poses a threat to public health or the environment, such as trash, yard trash, shredded tires, and construction/demolition debris. The Ash Landfill, which is located at the Resources Recovery Facility, accepts the ash from this facility and some ash from the co-generation facility in the City of South Bay.

<u>Transfer Facilities</u>. The regional transfer facilities are an essential part of the County's integrated solid waste management system, increasing the efficiency of disposal of solid waste generated in the incorporated and unincorporated areas of the County.

The County operates three regional transfer stations: (1) the Northeast Transfer Station, located at 18701 N.E. 6th Avenue west of North Miami Beach; (2) the West Transfer Station, located at 2800 S.W. 72nd Avenue; and (3) the Central Transfer Station, located at 1150 N.W. 20th Street, Miami, Florida. The transfer stations are strategically located throughout the County and are referred to by location as the Northeast Transfer Station, West Transfer Station and Central Transfer Station.

In addition to the three regional transfer stations, the Department has ongoing transfer operations at the Resources Recovery Facility and South Dade Landfills for the transport of waste and waste derived by-products, such as yard trash, tires, rejects, non-processables, process unders, etc., between facilities.

Regulatory Responsibilities

In accordance with the 1985 State of Florida Growth Management Act, the Department must plan for providing a specific level of solid waste service, a process generally referred to as "concurrency." Under the 1988 State of Florida Solid Waste Management Act, as amended, and certain provisions of the Florida Administrative Code, the Department is responsible for planning to ensure that disposal needs are met in both the incorporated and the unincorporated areas of the County. The County's System, which includes County-owned solid waste disposal facilities and those operated under contract with the County for disposal, must collectively maintain a solid waste disposal capacity sufficient to accommodate waste flows committed to the System through long-term interlocal agreements or contracts with municipalities and private waste haulers, and anticipated non-committed waste flows, for a minimum of five (5) years.

The County is required by the United States Environmental Protection Agency (USEPA) and the Florida Department of Environmental Protection (FDEP) to close and perform postclosure care for its landfills in compliance with current regulations. Along with stringent regulations for "capping" and closing landfills, postclosure care of the site is mandated for 30 years after the closure is accepted by USEPA and FDEP. Currently, the County is designing and constructing landfill cell closures in compliance with the FDEP closure program, which has been accepted by the USEPA. During FY 2006, the Department continued its construction and environmental remediation programs for closed landfills.

Budgetary Control

In accordance with the State of Florida Statutes the County prepares, approves, adopts and executes an annual budget for such funds as may be required by



law or by sound financial practices. The Board of County Commissioners approves the Department's annual budget for current expenses and capital outlays. The budgets are adopted on a basis consistent with GAAP, except no amounts are provided for depreciation, amortization and depletion. Budgets are monitored at various levels of classification details within the Department. Expenses at the fund level may not legally exceed the budgeted appropriation.

Factors Affecting Financial Condition

Local Economy

Last year's ECONOMIC CONDITION AND OUTLOOK ended with a forecast that FY 2006 would be a good, but not spectacular year with respect to the economy. In many respects, this forecast was essentially correct with the exception of the housing market. The national economy continued its positive trend, reporting a solid performance at an estimated annual growth of 3.4 percent over the previous year. Miami-Dade's economy was consistent with this, with a good performance in most of the leading economic indicators. This was especially true for international trade, the visitor industry, and consumer spending.

The economic drivers of Miami-Dade's economy, the visitor industry and national and international trade and commerce, were positively active during FY 2006 setting, in some measures, all time records. A robust national economy, coupled with improving economic conditions in the overall global economy, particularly in Europe, Latin America, and Asia, continued to positively impact the number of visitors and the volume of exports. Total employment continued its steady expansion and there was a continued reduction in the unemployment rate.

In FY 2006, nonagricultural wage and salary employment (annual average) expanded by 1.6 percent, an overall gain of around 16,900 jobs to put total employment at 1,054,300. Still, this gain is considerably below the net increase accrued during the previous fiscal year, which recorded a total gain of 26,300 jobs, or a 2.6 percent increase. The unemployment rate however, continued its downward trend, averaging 3.9 percent for the year compared to 4.7 percent in 2005. This marks the fourth consecutive year that this important indicator has performed favorably.

Compared to the healthy gains in total employment, increases in businesses of all types barely topped the 2005 level, as they recorded a marginal gain of



only 200 new establishments during the 2006 fiscal year, up by 0.3 percent. At the same time, the 2006 median family income increased by \$9,550 to reach \$55,900, a 20.6% increase from the prior year.

Traditionally, the real estate sector in Miami-Dade County has been viewed as one of the critical measures of the County's economic health. In FY 2006, the real estate market closed with a sharp decline in sales activity, as the housing industry suffered through a steep downturn in housing demand.

During the past twelve months sales of existing single-family homes declined 28.0 percent following the same trend as in FY 2005 when they declined 4.8 percent. That was the biggest decline in the sale of previously owned homes since the recession year of 1990. The same pattern prevailed for existing condominium sales; they declined 23.7 percent from the same period in 2005. While a slowdown in the housing market may be driven by factors independent of the overall economic conditions, generally, this downward trend can be attributed to a lessening in overall demand. This was driven by escalating home prices and somewhat by the rise in mortgage interest rates, which caused some market cooling off from its strong pace during the last six years.

Following a year of strong changes in office and industrial market conditions, the commercial real estate market showed mixed leasing and sales activities during FY 2006. In terms of office space, the additions to existing inventory (square footage) increased slightly from 41.1 million to 41.9 million, or a 2.6 percent increase from 2005, while the overall office vacancy rate improved with a decline from 12.5 percent to 10.3 percent.

Consumer activity, as measured by taxable sales, was reasonably strong in FY 2006 and in line with the previous twelve months, probably reflecting a continuous high level of confidence on the part of the consumer. Total taxable sales increased by 9.5 percent compared to 11.5 percent the year before. In contrast to prior years, this indicator in Miami-Dade was above the statewide average by almost four percentage points.

The 2006 FY was a good one for international trade, with increases in both exports and imports. Trade and commerce reported a volume of merchandise trade through the Miami Customs District (52) totaling \$72.3 billion, the highest ever. This represents a 9.7 percent increase in total trade in contrast with the 12.2 percent gain in 2005. Improved economic conditions in most of the countries in these regions, along with relatively stable currencies against the dollar, contributed to the increase of exports.

After a very good year for tourism in 2005, the visitor industry continued to achieve high activity levels during 2006. For the fifth consecutive year, an increase in tourism was reported, with a visitor growth of 2.5 percent to the Miami-Dade area.

Although the prospects appear for the most part positive for 2007, close attention to issues that could potentially affect the Miami-Dade economy, such as relatively higher consumer prices, higher healthcare costs, slow growth in personal income, a relatively high poverty rate, higher and unaffordable housing prices, soaring insurance premiums, a somewhat weak public education system, and a relatively unskilled workforce coupled with a poor mix of jobs in terms of wages and salaries need to be addressed. Elected of-

ficials and business leaders are attempting to deal with these issues and provide solutions through continued efforts to reform and diversify the local economy.

In summary, FY 2007 is foreseen as a year of moderation for the Miami-Dade County economy and its most vital industries, including trade, transportation, tourism, and real estate. All things considered, if interest rates and energy prices remain stable and consumer prices do not climb too high, economic expansion should continue at a pace somewhat weaker than the previous year.

For FY 2007, the Department projects a slight increase for waste collection services based on population growth and the pace of new housing starts for the unincorporated area of the County. Disposal equivalent revenue tons are projected to remain steady as a function of the Department's long-term inter-local agreements with the municipalities and long-term contracts with private haulers.

Long-term Financial Planning

The FY 2007 Adopted Capital Budget and Multi-Year Capital Plan, as amended, is programmed to require \$74.2 million over the next five fiscal years. These projects include approximately \$44.3 million in groundwater remediation, closure and other environmental projects at the Department's facilities, \$1.9 million for the additional retrofit of the Resources Recovery Facility, \$9.6 million in other collection and disposal facility improvements, which include landfill cell construction and transfer station improvements and approximately \$8.4 million for certain municipal landfill closure grants. These programs will be funded with operating funds coupled with debt proceeds, when necessary.

Cash Management Policies and Practices

The Department's unrestricted cash is pooled with the County's unrestricted cash and investments, which are managed by the County's Cash Management Division pursuant to Florida Statutes and resolutions of the Board of County Commissioners. These investments consist of US Government and Agency Securities, Certificates of Deposit and Commercial Paper. In



accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are reported at fair value and unrealized gains and losses due to variations in fair value are included in income for the year.

The investment performance for FY 2006 and FY 2005 is summarized below (the figures herein exclude "cash with fiscal agent" of approximately \$24.7 and \$25.4 million in FYs 2006 and 2005, respectively. In addition to approximately \$1.049 million and \$340 thousand of interest earned thereon in FY 2006 and FY 2005, respectively, in connection with the closure grant transaction and the Sunshine State Loan, Series I):

	2006	2005					
	(in thousands)						
Average Portfolio Balance	\$160,192	\$153,805					
Average Investment Yield	3.90%	1.78%					
Interest Earned	\$6,242	\$2,744					

Risk Management

The Department participates in the County's self-insurance programs for workers' compensation, automobile liability and general liability. Insurance is maintained with independent carriers for all other risks of loss. The Department's financial statements for FY 2006 reflect a current payable to the County's self-insurance fund of approximately \$1.9 million.

Pension

The Department, as an enterprise fund of the County, participates in the Florida Retirement System (the "System"/"FRS"), a cost-sharing, multiple-employer public employee retirement plan that covers substantially all of the Department's full-time and part-time employees. The Department contributes a percentage (for FY 2006 estimated at 8.46%) of the Department's covered payroll. For the fiscal year ended September 30, 2006, the Department made 100% of its required contributions.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department of Solid Waste Management, a Department of Miami-Dade County, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. This was the twelfth consecutive year that the Department has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

This report could not have been prepared on a timely basis without the efficiency and dedication of the Department's Accounting staff. We are grateful to all Department employees who assisted and contributed to its preparation. We thank the County's Finance Department for their assistance and support. We would also wish thank the Mayor, the Miami-Dade County Commissioners and the County Manager for their continued assistance in enabling the Department to fulfill its role in delivering a highly efficient and effective countywide integrated solid waste service to the community.

Thee Woods Richards

Respectfully submitted,

Kathleen Woods-Richardson

Director

Vicente Castro

Deputy Director Operations

Christopher Rose

Deputy Director Administration

Maria Jaucher

Maria Sanchez, CPA

Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Department of Solid Waste Management, A Department of Miami-Dade County, Florida

> For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2005

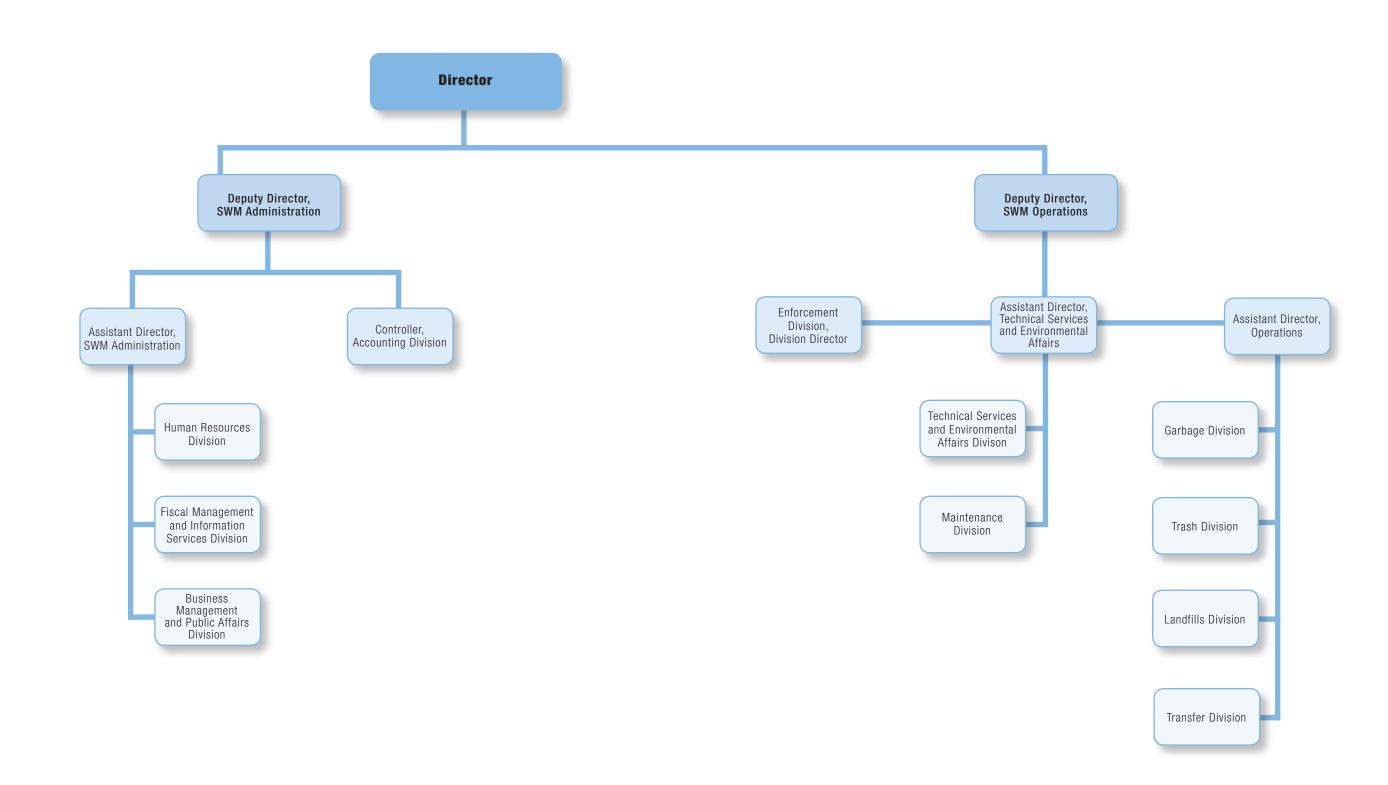
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

CALDDA CORPORATION SEAL OF CALCADO

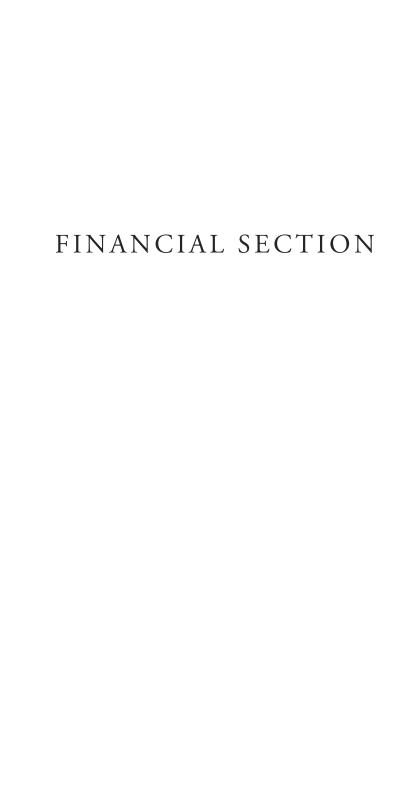
President

Executive Director

Miami-Dade County Department of Solid Waste Management Organizational Chart









KPMG LLP Suite 2800 One Biscayne Tower Two South Biscayne Boulevard Miami, FL 33131

Independent Auditor's Report

The Honorable Mayor, and Chairperson, and Members of the Board of County Commissioners Miami-Dade County, Florida:

We have audited the accompanying financial statements of the Miami-Dade County Department of Solid Waste Management (the Department), an enterprise fund of Miami-Dade County, Florida, as of and for the years ended September 30, 2006 and 2005, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1, the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2006 and 2005, and the changes in its financial position and, where applicable, its cash flows, for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami-Dade County Department of Solid Waste Management, an enterprise fund of Miami-Dade County, Florida, as of September 30, 2006 and 2005, and the changes in financial position, and cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2007 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The Management's Discussion and Analysis on pages 4 through 25 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Department. The introductory section, supplementary financial section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary financial section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



March 16, 2007 Certified Public Accountants

Management's Discussion and Analysis (Unaudited)

The Miami-Dade County, Florida (the "County"), Department of Solid Waste Management (the "Department", "DSWM") presents the following Management's Discussion and Analysis (MD&A). Our discussion of the Department's financial performance provides an overview of the financial activities for the fiscal years ended September 30, 2006 and 2005. The information presented in this MD&A should be considered in conjunction with the information furnished in the Letter of Transmittal included in the Introductory Section, the Department's financial statements in this section and the various summaries of activities and financial performance included in the Supplemental Schedules (supplementary financial information) and the Statistical Section of this report.

Highlights

Financial Highlights

Fiscal Year 2006

- At September 30, 2006, the assets of the Department exceeded its liabilities by \$124.3 million ("net assets") as compared to \$112.6 million at September 30, 2005. Of the total \$124.3 million in net assets as of September 30, 2006, \$40.9 million was invested in capital assets, net of related debt; \$103.4 million was restricted for debt service, closure grant and reserves; the remaining \$20 million negative balance was left as unrestricted net deficit.
- Total net assets increased by \$11.7 million, reflecting revenues earned in excess of expenses for the fiscal year ended September 30, 2006.
- For the fiscal year ended September 30, 2006, the Department's operating revenues increased by \$33.4 million.
- For the fiscal year ended September 30, 2006:
 - Operating expenses before depreciation and closure and postclosure care costs for the Inactive landfills increased \$19 million.
 - Depreciation expense decreased \$300 thousand.
 - Closure and postclosure care costs for inactive landfills increased \$903 thousand.
 - Non-operating expenses net of revenues decreased \$4.3 million.
- The Department's bonds and notes payable decreased by \$9.4 million during the fiscal year ended September 30, 2006.

Fiscal Year 2005

- At September 30, 2005, the assets of the Department exceeded its liabilities by \$112.6 million ("net assets") as compared to \$119.4 million at September 30, 2004. Of the total \$112.6 million in net assets as of September 30, 2005, \$52 million was invested in capital assets, net of related debt; \$101.8 million was restricted for debt service, closure grant and reserves; the remaining \$41.2 million negative balance was left as unrestricted net deficit.
- Total net assets decreased by \$6.8 million, reflecting expenses and contributions made in excess of revenues for the fiscal year ended September 30, 2005.

- For the fiscal year ended September 30, 2005, the Department's operating revenues increased by \$25.8 million.
- For the fiscal year ended September 30, 2005:
 - Operating expenses before depreciation and closure and postclosure care costs for the Inactive landfills increased \$14.2 million.
 - Depreciation expense increased \$2.1 million.
 - Closure and postclosure care costs for inactive landfills increased \$104 thousand.
 - Non-operating expenses net of revenues increased \$12.8 million.
- The Department's bonds and notes payable increased by \$74.6 million during the fiscal year ended September 30, 2005.

Department of Solid Waste Management's Highlights

Fiscal Year 2006

- During the fiscal year ended September 30, 2006, the Department serviced approximately 315,000 residential units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts. This represents an overall increase of 2.6% over the fiscal year ended September 30, 2005.
- The annual fee for curbside collection remained at \$399 per household in fiscal year 2006.
- During fiscal year ended September 30, 2006, disposal equivalent revenue tons totaled approximately 2.57 million tons, a 26.6% increase when compared to the fiscal year ended September 30, 2005.
- The disposal contract tipping fee was \$53.65 per ton during the fiscal year ended September 30, 2006, an increase of 2.68% over the fiscal year ended September 30, 2005.
- The Department completed \$6.4 million in capital and landfill closure projects during fiscal year 2006.

Fiscal Year 2005

- During the fiscal year ended September 30, 2005, the Department serviced approximately 307,000 residential units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts. This represents an overall increase of 2.3% over the fiscal year ended September 30, 2004.
- The annual fee for curbside collection remained at \$399 per household in fiscal year 2005.
- During fiscal year ended September 30, 2005, disposal equivalent revenue tons totaled approximately 2.03 million tons, a 13.4% increase when compared to the fiscal year ended September 30, 2004.
- The disposal contract tipping fee was \$52.25 per ton during the fiscal year ended September 30, 2005, an increase of 3.16% over the fiscal year ended September 30, 2004.
- The Department completed \$3.9 million in capital and landfill closure projects during fiscal year 2005.

Overview of the Financial Statements

This discussion and analysis section is intended to serve as an introduction to the Department's financial statements with the notes thereto. The notes to the financial statements are essential for a full understanding of the information contained in the financial statements.

The Department's Financial Statements report information about the Department using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. These financial statements include the financial position, results of operations and cash flows of both the Disposal and Collection Systems. Supplemental financial data for each of these systems is provided elsewhere in this report.

The Statements of Net Assets include all of the Department's assets and liabilities providing information about the nature and amounts of resources (assets) and obligations to creditors (liabilities) with the difference between the two reported as net assets at September 30, 2006 and 2005, respectively. The increases and decreases in net assets may serve as a valuable indicator of whether the financial position of the Department is improving or deteriorating. These statements also provide the basis for assessing the liquidity and financial flexibility of the Department along with its capital structure.

All of the Department's revenues and expenses are reflected on the Statements of Revenues, Expenses and Changes in Fund Net Assets for the fiscal years ended September 30, 2006 and September 30, 2005, respectively. These statements measure the level of success by the Department's operations in fiscal years 2006 and 2005, respectively. They can be used to evaluate the Department's profitability and credit worthiness and to determine whether the Department has successfully recovered all its costs through its user fees and other charges.

The Department's Statements of Cash Flows provide information about the Department's cash receipts and cash disbursements during the fiscal years ended September 30, 2006 and 2005, respectively. These statements report sources, uses and net changes in cash resulting from operating, investing, capital and non-capital financing activities.

Financial Analysis of the Department

As previously mentioned, the Statements of Net Assets and the Statements of Revenues, Expenses and Changes in Fund Net Assets reflect information about the Department's activities, which may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. These two set of statements report the net assets of the Department and changes in them. The difference between assets and liabilities is one way to measure financial health or financial position. Over time, increases or decreases in the Department's net assets are one indicator of whether its financial health is improving or deteriorating. In addition, consideration must be given to non-financial factors including but not limited to population growth, economic conditions, changes in regulatory requirements and legislation.

The analysis below focuses on the Department's net assets (**Table I**) at the end of the fiscal years 2006, 2005 and 2004 and changes in net assets (**Table II**) during the fiscal years 2006, 2005 and 2004.

The Department's assets exceeded liabilities by \$124.3 million, \$112.6 million and \$119.4 million at September 30, 2006, 2005 and 2004, respectively.

A summary of the Department's statements of net assets at September 30, (Table I) is shown below:

TABLE I
Net Assets

	_	At September 30,				
		<u>2006</u> <u>2005</u> <u>2004</u>				
		(In thousands)				
ASSETS						
CURRENT ASSETS						
Total Unrestricted Assets	\$	109,069	\$	110,307	\$	50,954
Total Restricted Assets		19,822		18,958		16,566
Total Current Assets		128,891	129,265			67,520
NON-CURRENT ASSETS						
Total Restricted Assets		138,615		140,099		76,765
Total Capital Assets		229,738		247,795		253,041
Total Other Assets		9,191		10,338		14,096
Total Non-Current Assets	_	377,544		398,232		343,902
TOTAL ASSETS		506,435		527,497		411,422
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Total Payable from Unrestricted Assets		19,157		53,420		16,841
Total Payable from Restricted Assets		19,822		18,958		16,566
Total Current Liabilities		38,979		72,378		33,407
LONG-TERM LIABILITIES						
Total Long-Term Liabilities		343,134		342,511		258,641
TOTAL LIABILITIES		382,113		414,889		292,048
NET ASSETS						
Investment in Capital Assets, net of Related Debt		40,991		51,983		94,847
Restricted		103,423		101,847		73,663
Unrestricted (Deficit)		(20,092)		(41,222)		(49,136)
TOTAL NET ASSETS		124,322	\$	112,608	\$	119,374

Fiscal Year 2006

As of September 30, 2006, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted 33% of the Department's net assets.

The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to \$41 million at September 30, 2006, from \$52 million at September 30, 2005. This decrease reflects the combined effects of capital assets additions, capital assets deletions, deductions for the increase in accumulated depreciation and the decrease in the related debt. Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 to the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. At September 30, 2006, total restricted net assets amounted to \$103.4 million as compared to \$101.8 million at September 30, 2005. This increase reflects higher balances in the Department's debt service account, groundwater protection receivable account, and operating expense reserve fund. Additional information concerning the Department's restricted assets can be found in Note 5 to the financial statements.

The remaining negative balance of \$20 million at September 30, 2006, is reported as unrestricted net deficit. This negative balance resulted from the Department's ongoing recognition of the liability for closure and postclosure care costs. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This negative balance decreased from \$41.2 million at September 30, 2005, reflecting the benefits of lower balances in payable from unrestricted current assets which were partially offset by lower balances in unrestricted current assets, in other assets and in higher balances in other long-term liabilities and liability for closure and postclosure care costs at September 30, 2006. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 9 to the financial statements.

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Fiscal Year 2005

As of September 30, 2005, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted 46% of the Department's net assets.

The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to \$52 million at September 30, 2005, from \$94.8 million at September 30, 2004. This decrease reflects the combined effects of capital assets additions, capital assets deletions, deductions for the increase in accumulated depreciation and the increase in the related debt. Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 to the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. At September 30, 2005, total restricted net assets amounted to \$101.8 million as compared to \$73.7 million at September 30, 2004. This increase reflects higher balances in the Department's debt service account, groundwater protection receivable account, operating expense reserve fund and the closure grant. Additional information concerning the Department's restricted assets can be found in Note 5 to the financial statements.

The remaining negative balance of \$41.2 million at September 30, 2005, is reported as unrestricted net deficit. This negative balance resulted from the Department's ongoing recognition of the liability for closure and postclosure care costs. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This negative balance decreased from \$49.1 million at September 30, 2004, reflecting the benefits of higher balances in unrestricted current assets which were partially offset by lower balances in other assets, higher balances in payable from unrestricted assets, higher balances in other long-term liabilities and liability for closure and postclosure care costs at September 30, 2005. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 9 to the financial statements.

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Changes in the Department's net assets can be established upon review of the summary of the Department's statements of revenues, expenses and changes in fund net assets for the fiscal years ended September 30, (**Table II**) shown below:

For Fiscal Years Ended

TABLE II
Changes In Fund Net Assets

	-	September 30,				
		2006		2005		2004
	_		(1	n thousands)	_	
Operating revenues						
Solid waste disposal services	\$	96,504	\$	75,248	\$	53,781
Solid waste collection services		128,179		125,184		123,224
Utility service fees		17,665		16,657		15,798
Electricity sales		23,123		17,504		16,593
Other operating revenues		15,669	_	13,122		12,576
Total operating revenues		281,140		247,715		221,972
Interest income		7,291		3,084		1,201
Intergovernmental revenue		_		_		260
Other non-operating revenue, net			_		_	789
Total Revenues		288,431		250,799		224,222
Operating expenses excluding depreciation and closure & postclosure care costs for inactive landfills		223,034		204,431		190,266
Depreciation		29,708		30,010		27,913
Closure & postclosure care costs for inactive landfills		1,649		746		642
Interest expense		12,207		8,743		8,793
Closure grant		1,485		6,453		_
Other non-operating expenses, net		8,634		7,182		_
Total Expenses		276,717		257,565		227,614
Changes in Net Assets		11,714		(6,766)		(3,392)
Total Net Assets, beginning of the year	_	112,608	_	119,374	-	122,766
Total Net Assets, end of the year	\$	124,322	\$_	112,608	\$_	119,374

Total net assets increased/ (decreased) by \$11.7 million and (\$6.8) million in fiscal years 2006 and 2005, respectively.

Historically, operating revenues generated by the System have included solid waste disposal services revenues, solid waste collection services revenues, utility service fees, electrical revenues from the Resources Recovery Facility and other operating revenues. Other operating revenues include disposal facility fees, office rental income, parking facilities revenue, code enforcement fines, permit fees, Unincorporated Municipal Service Area (UMSA) support for the litter program and other miscellaneous income.

Fiscal Year 2006

Operating revenues increased 13% from \$247.7 million in fiscal year 2005 to \$281.1 million in fiscal year 2006, reflecting increases in all operating revenue categories but primarily as a result of higher Solid Waste Disposal Services Revenues.

Disposal Services Revenues increased to \$96.5 million in the fiscal year ended September 30, 2006 from \$75.2 million in fiscal year 2005. This increase resulted from higher equivalent revenue tons coupled with higher disposal tipping fees. Equivalent revenue tons increased from 2.03 million in the fiscal year ended September 30, 2005 to 2.57 million in fiscal year ended September 30, 2006. The increase in equivalent revenue tons in fiscal year 2006, when compared to fiscal year 2005, is primarily attributed to the storm related waste received as of September 30, 2006 (accounting for 92% of the increase). Disposal tipping fees are collected from all users of the County's solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2005 to fiscal year 2006, as follows: \$52.25 per ton to \$53.65 per ton for contractual customers; from \$68.90 per ton to \$70.75 per ton for non-contractual customers; and from \$10.35 per ton to \$10.60 per ton for the additional fee paid by those customers utilizing the Department's transfer stations.

Solid Waste Collection Services Revenues increased 2% from \$125.2 million in the fiscal year 2005 to \$128.2 million in the fiscal year 2006. This increase in collection services revenue reflects the effect of higher waste collection units serviced in fiscal year 2006. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services remained at the same level as in fiscal year 2005, as follows: \$399 per household for residential curbside collection, \$308 per unit for residential dumpster service, the rollaway service ranged from \$214.60–\$869.25 depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2006, the Department serviced approximately 315,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 307,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts during the fiscal year ended September 30, 2005.

Utility Service Fee Revenues increased 6% to \$17.7 million in fiscal year 2006 from \$16.7 million in the fiscal year ended September 30, 2005. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

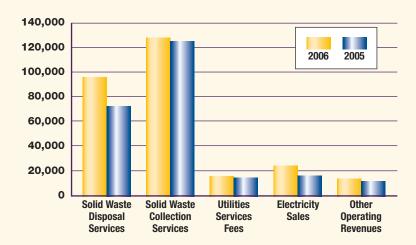
Electricity Sales increased to \$23.1 million in fiscal year 2006 from \$17.5 million in the fiscal year ended September 30, 2005, reflecting the combined effect of higher number of kilowatt hours produced, higher capacity payments and higher energy payment rates. The increase in kilowatt hours produced was approximately 59,989,000

KWH. This increase in electric power production was achieved by repairing and replacing steam generating equipment and fuel preparation machinery. Electrical revenues are generated pursuant to agreements with the Florida Power Corporation ("FPC")/Progress Energy and Florida Power and Light Company ("FP&L") for the sale of electricity generated at the Resources Recovery Facility. These revenues from FPC, net of costs to FP&L for services in connection with transmission, interconnection and Doral substation and others, are shared equally with the Facility's Operator.

Other operating revenues increased to \$15.7 million in fiscal year 2006 from \$13.1 million in fiscal 2005, reflecting increases in most other operating revenue categories but primarily as a result of higher Disposal Facility Fee revenues. Other operating revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees, UMSA revenue for litter control and other.

The following chart shows a comparison of operating revenues by source for the fiscal years ending September 30, 2006 and 2005.

Operating Revenues (Dollar Amount in Thousands)



Fiscal Year 2005

Operating revenues increased 11.6% from \$221.9 million in fiscal year 2004 to \$247.7 million in fiscal year 2005, reflecting increases in most operating revenue categories but primarily as a result of higher Solid Waste Disposal Services Revenues.

Disposal Services Revenues increased to \$75.2 million in the fiscal year ended September 30, 2005 from \$53.8 million in fiscal year 2004. This increase resulted from higher equivalent revenue tons coupled with higher disposal tipping fees. Equivalent revenue tons increased from 1.79 million in the fiscal year ended September 30, 2004 to 2.03 million in fiscal year ended September 30, 2005. The increase in equivalent revenue tons in fiscal

year 2005, when compared to fiscal year 2004, is primarily attributed to the storm related waste received as of September 30, 2005 (accounting for 97% of the increase). Disposal tipping fees are collected from all users of the County's solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2004 to fiscal year 2005, as follows: \$50.65 per ton to \$52.25 per ton for contractual customers; from \$66.80 per ton to \$68.90 per ton for non-contractual customers; and from \$10.05 per ton to \$10.35 per ton for the additional fee paid by those customers utilizing the Department's transfer stations.

Solid Waste Collection Services Revenues increased 1.6% from \$123.2 million in the fiscal year 2004 to \$125.2 million in the fiscal year 2005. This increase in collection services revenue reflects the effect of higher waste collection units serviced in fiscal year 2005 partially offset by a decline in the revenue provided by landscapers disposing of waste directly at the landfill (pursuant to the Landscaper Program). In fiscal year 2005, the revenue form Landscapers' activity at the landfill was recognized as Disposal Services Revenues. Landscapers disposing at the landfill contributed \$1.8 million, representing approximately 53,000 tons, of the \$2.5 million in Landscaper revenue recognized as Collection Services Revenues in fiscal year 2004; Landscapers' activity at the landfill tonnage totaled approximately 36,000 tons in fiscal year 2005. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services remained at the same level as in fiscal year 2004, as follows: \$399 per household for residential curbside collection, \$308 per unit for residential dumpster service, the rollaway service ranged from \$214.60–\$869.25 depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2005, the Department serviced approximately 307,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 300,000 residential (household) units, approximately 300 commercial accounts and approximately 800 commercial accounts during the fiscal year ended September 30, 2004.

Utility Service Fee Revenues increased 5.7% to \$16.7 million in fiscal year 2005 from \$15.8 million in the fiscal year ended September 30, 2004. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

Electricity Sales increased to \$17.5 million in fiscal year 2005 from \$16.5 million in the fiscal year ended September 30, 2004, reflecting the combined effect of lower number of kilowatt hours produced, partially offset by higher capacity payments and energy payment rates. The reduction in kilowatt hours produced (approximately 17,305,000 KWH) resulted from higher than normal unscheduled boiler downtime coupled with the effects of damages to the cooling tower by Hurricane Katrina. Electrical revenues are generated pursuant to agreements with the Florida Power Corporation ("FPC") and Florida Power and Light Company ("FP&L") for the sale of electricity generated at the Resources Recovery Facility. These revenues from FPC, net of costs to FP&L for services in connection with transmission, interconnection and Doral substation and others, are shared equally with the Facility's Operator.

Other operating revenues increased to \$13.1 million in fiscal year 2005 from \$12.6 million in fiscal 2004. Other revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees, UMSA revenue for litter control and other. The increase resulted primarily from higher Disposal Facility Fee revenues in fiscal 2005.

Operating expenses are costs incurred in the operation and maintenance of the System, including the expenses for landfill operations, fees paid to the Resources Recovery Facility Operator for disposal of solid waste at the Resources Recovery Facility, transfer operations, garbage and trash collections, recycling, litter control, facility maintenance, county wide lot clearing, enforcement and environmental compliance and administration. Expenses of the System are paid prior to the payment or provision for payment of the principal and interest on the Department's bonds payable.

Fiscal Year 2006

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased by \$19 million to \$223 million in fiscal year 2006, from \$204 million in fiscal year 2005.

A summary of the Department's Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care Costs for Inactive Landfills for the years ended September 30, 2006 and 2005, respectively, indicating the amount of change is as follows (**Table III**):

TABLE III

Summary of Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills

for the Fiscal Years Ended September 30, 2006, 2005 and 2004, respectively, indicating the amount of change in Fiscal Year 2006 as compared to Fiscal Year 2005

Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for								Increase/
Inactive Landfills	_	2006	_	2005		2004	_	(Decrease)
				(In th	nousan	ds)		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	\$	27,294	\$	21,299	\$	13,992	\$	5,995
Waste-to-energy	•	67,368	Ψ	64,191	Ψ	64,748	Ψ	3,177
.		•		,		•		•
Transfer operations		26,864		24,601		24,844		2,263
Garbage collection		38,042		35,213		34,415		2,829
Trash collection		19,849		16,113		13,186		3,736
Recycling		11,404		11,188		10,175		216
Litter control & County wide lot clearing		1,219		1,675		1,499		(456)
Facility maintenance		1,077		1,068		1,065		9
Enforcement and environmental compliance		6,593		6,019		6,111		574
General and administrative		23,324		23,064		20,231		260
Total	\$_	223,034	\$_	204,431	\$	190,266	\$_	18,603

The \$19 million increase in operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills for fiscal year 2006 when compared to fiscal year 2005 reflects increases in most operating expense components as follows:

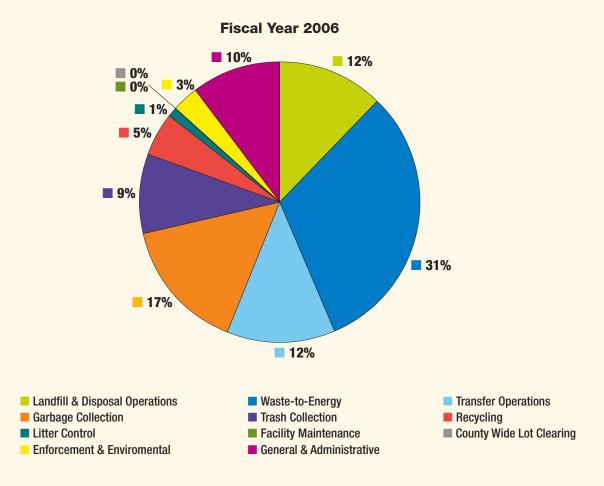
Landfill and disposal operations increased approximately \$6 million. This increase reflects the effects of higher costs for contractual services (primarily as a result of higher waste deliveries to a private regional disposal facility provider) combined with higher personnel costs and higher charges for county services. Trash collection costs increased approximately \$3.7 million, primarily as a result of hurricane season preparedness (clean-up) efforts of approximately \$3 million in addition to increases in personnel costs, other contractual services, minor equipment and supplies. Waste-to-energy costs increased approximately \$3.2 million reflecting higher costs for contractual services associated with payments to the Operator for their share of (higher) electricity sales. Garbage collection costs increased approximately \$2.8 million reflecting higher personnel costs and charges for county services (in heavy equipment fuel, labor parts and insurance). Transfer operations costs increased approximately \$2.2 million reflecting higher cost for personnel, contractual professional services and charges for county services (in heavy equipment fuel, labor and parts). Enforcement and environmental compliance costs increased approximately \$574 thousand reflecting higher personnel, maintenance and repair costs. General and administrative costs increased approximately \$260 thousand reflecting higher charges for county services, contractual services and personnel costs. Higher personnel charges in these operating cost components reflect the combined effects cost of living adjustments (COLA), merit increases and labor contract costs. Recycling costs increased approximately \$216 thousand reflecting higher rates paid to the contractor combined with the increase in the volume of units served. Facility maintenance costs increased approximately \$9 thousand. This minor increase resulted from higher contractual service costs. Litter control and County-wide lot clearing costs decreased approximately \$456 thousand reflecting higher reimbursements for County-wide lot clearing activities coupled with lower cost for contractual services. Additional information concerning the Department's closure and postclosure care costs for active landfills can be found in Note 9 to the financial statements.

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The following chart shows operating expenses before depreciation and costs for closure and postclosure care for inactive landfills for the fiscal year ended September 30, 2006.

Operating Expenses Before Depreciation and Closure and Postclosure Care Costs for Inactive Landfills

(As a Percentage of Total)



Depreciation expense decreased from \$30 million in fiscal year 2005 to \$29.7 million in fiscal year 2006. The decrease resulted from the combined effects of the disposal of depreciable property plant and equipment and assets found fully depreciated in fiscal year 2006 partially offset by additions to depreciable plant and equipment and landfill cell depletion in fiscal year 2006. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property plant and equipment can be found in Note 3 to the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2006 resulted in an expense of approximately \$1.7 million as compared to an expense of approximately \$700 thousand in fiscal year 2005. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The \$1.7 million expense in fiscal year 2006 reflects the combined effects of approximately \$600 thousand in postclosure care estimates for the Old South Dade Landfill site with approximately \$1.1 million in the postclosure care estimates for the Main Landfill. The changes in estimates resulted from the Department's postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 9 to the financial statements.

Non- operating expenses net of revenues in fiscal year 2006 totaled \$15 million, as compared to \$19.3 million in fiscal year 2005. This expense reduction of \$4.3 million resulted from the combined effect of changes in several components as follows: interest income increased \$4.2 million, interest expense increased \$3.5 million, closure grant (expense) decreased \$5 million and other non-operating expense net of revenue increased \$1.4 million. The closure grant expense of \$1.5 million represents approved disbursements (out of the total \$31 million grant) to the City of North Miami for closure of the Munisport Landfill. The \$8.6 million in other non-operating expense net of revenue primarily reflects the effects of the Department's share of Hurricane Wilma costs. The Department incurred approximately \$86.2 million in costs related to the diversion of operations for the Hurricane Wilma clean-up efforts. Of this amount, approximately \$78 million was eligible for reimbursement by the County. Approximately \$3.7 million remains outstanding for reimbursement (see statement of net assets at September 30, 2006); only the unreimbursable expenses of approximately \$8.2 million are included in the statement of revenues, expenses and changes in fund net assets for the year ended September 30, 2006.

Fiscal Year 2005

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased by \$14.1 million to \$204.4 million in fiscal year 2005, from \$190.3 million in fiscal year 2004.

The \$14.1 million increase in operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills reflects the combined effect of increases in some operating expense components partially offset by decreases in others. Increases in landfill and disposal operations, garbage and trash collection, recycling, litter control & county wide lot clearing and general & administrative costs totaling \$15 million were offset slightly by decreases in waste to energy, transfer operations, and enforcement & environmental compliance costs totaling \$900 thousand.

A significant portion of the \$15 million increase (included in the \$14.1 million net increase) is attributed to landfill and disposal operations increases of \$7.3 million. The increase in landfill & disposal operations reflects the effects of closure and postclosure care cost for active landfills amortization from a \$1.5 million in fiscal year 2004 to approximately \$9 million in fiscal 2005 (arising from changes in closure and postclosure estimates coupled with higher capacity used during fiscal year 2005). Trash collection costs increased approximately \$2.9 million reflecting higher personnel costs and charges for county services reflecting higher fuel and equipment repair costs. The increase in trash collection costs is associated with the increase in service to residential customers from one to two annual bulky pickups. General and administrative costs increased approximately \$2.8 million reflecting higher charges for county services reflecting higher internal audit fees, data processing and information technol-

ogy charges, higher rental, higher printing costs and higher bad debt expense. Rental expenses include the rent charges for the administrative offices located in the Dr. Martin Luther King, Jr. Office Plaza. Recycling costs increased approximately \$1 million reflecting higher rates paid to the contractor combined with higher volume of units serviced by curbside recycling. Garbage collection costs increased approximately \$800 thousand reflecting higher personnel costs, temporary help costs and charges for county services reflecting higher fuel and equipment repair costs. Litter and county wide lot clearing expenses increased approximately \$200 thousand reflecting higher personnel charges. Higher personnel charges reflect the combined effects of cost of living adjustments (COLA), merit increases and labor contracts. Additional information concerning the Department's closure and postclosure care costs for active landfills can be found in Note 9 to the financial statements.

Other operating expense components reflected decreases totaling \$900 thousand in fiscal year 2005 as compared to fiscal year 2004. Approximately \$600 thousand of the total \$900 thousand resulted from decreases in waste to energy costs (reflecting lower contractual services costs and lower tipping fees associated with lower levels of on site waste processed in fiscal year 2005), \$200 thousand from decreases in transfer costs (reflecting lower personnel and contractual services costs) and \$100 thousand in enforcement and environmental compliance costs reflecting the decrease of expenses associated with grant activity which ceased in fiscal year 2004.

Depreciation expense increased from \$27.9 million in fiscal year 2004 to \$30 million in fiscal year 2005. The increase resulted from additions in fiscal year 2005 to depreciable property plant and equipment equipment, including the depreciation expense attributable to contributed assets, combined with the effects of cells found fully depleted in fiscal year 2005. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property plant and equipment can be found in Note 3 to the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2005 resulted in an expense of approximately \$700 thousand as compared to an expense of approximately \$700 thousand in fiscal year 2004. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The approximately \$700 thousand expense in fiscal year 2005 reflects the combined effects of approximately \$500 thousand in postclosure care estimates for the Old South Dade Landfill site with approximately \$200 thousand in the postclosure care estimates for the Main Landfill. The changes in estimates resulted from the Department's recent postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 9 to the financial statements.

Non- operating expenses net of revenues in fiscal year 2005 totaled \$19.3 million, as compared to \$6.5 million in fiscal year 2004. This expense increase of \$12.8 million resulted from the combined effect of changes in several components as follows: interest income increased \$1.9 million, interest expense decreased \$50 thousand, intergovernmental revenue decreased \$260 thousand, closure grant (expense) increased \$6.5 million and other non-operating expense net of revenue increased \$8 million. The closure grant expense of \$6.5 million represents approved disbursements (out of the total \$31 million grant) to the City of North Miami for closure of the Munisport Landfill. The \$8 million increase in other non-operating expense net of revenue primarily reflects the effects of the Department's share of Hurricane Katrina costs of approximately \$5.2 million. The Department incurred

approximately \$54 million in costs related to the diversion of operations for the Hurricane Katrina clean-up efforts. Of this amount, \$48.8 million is to be reimbursed by the County; as a result, only the unreimbursable expenses of approximately \$5.2 million are included in the statement of revenues, expenses and changes in fund net assets for the year ended September 30, 2005.

Capital Assets and Debt Administration

Capital Assets

Fiscal Year 2006

As of September 30, 2006, the Department had approximately \$230 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of \$18 million from \$248 million at September 30, 2005. The decrease reflects the combined effects of depreciation expense and assets disposed which were partially offset by asset additions during fiscal year 2006.

Major capital assets activity during fiscal year 2006 included the following:

- The Department completed the following projects: Northeast Station Improvement, Central Transfer Compactor—Phase I, NE Compactor Phase I, NE Transfer Station Expansion, Resources Recovery Nitrous Oxide and Resources Recovery Plant Improvements. During fiscal year 2006, the Department contributed approximately \$1.1 million to the completion of these projects.
- Projects continued in connection with the Collection Facility Improvements, T&R Centers Improvements, Truck Wash Facilities, Central Transfer Station Compactor-Phase II, Environmental Improvements, Disposal Facilities Improvements, Northeast Compactor Phase II, Northeast Transfer Tunnel Roof, Northeast Transfer Tipping Floor Crane, miscellaneous projects at the Resources Recovery Facility (Carbon Monoxide, Fire Safety, Waste Water Plant), West Transfer Station 3 Crane and Station 4 Crane. The projects listed herein exclude the closure projects discussed below. These projects had a combined cost of \$2.5 million in fiscal year 2006.
- It should be noted that while included in the Department's capital budget, closure projects, in accordance
 with generally accepted accounting principles, are not capitalized upon completion; therefore, the costs of
 closure projects completed in fiscal year 2006 have been excluded from property plant and equipment in
 the summary below. During fiscal year 2006, the Department contributed approximately \$452 thousand
 to these closure projects. Closure projects totaling \$274 thousand were completed during fiscal 2006.
- The total of capital and closure projects completed by the Department during fiscal year 2006 totaled \$6.4 million.

During fiscal year 2006, no event or changes in circumstances occurred resulting in the unexpected significant decline in the service utility (impairment) of the Department's capital assets.

The following table (**Table IV**) summarizes the Department's capital assets and accumulated depreciation at September 30.

Capital Assets and Accumulated Depreciation

		At	September	30,	
	2006		2005		2004
			(In thousand	s)	
Buildings and improvements	\$ 442,490	\$	438,282	\$	434,742
Machinery and equipment	111,113		104,924		86,309
Capital Assets, depreciable	553,603		543,206		521,051
Accumulated depreciation	(400,657)		(374,531)		(346,677)
Land	57,544		57,544		57,544
Construction in progress	19,248		21,576		21,123
Capital Assets	\$ 229,738	\$	247,795	\$ =	253,041

Additional information concerning the changes in the Department's capital assets can be found in Note 3 to the financial statements.

Fiscal Year 2005

As of September 30, 2005, the Department had approximately \$248 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of \$5 million from \$253 million at September 30, 2004. The decrease reflects the combined effects of depreciation expense and assets disposed which were partially offset by asset additions during fiscal year 2005.

Major capital assets activity during fiscal year 2005 included the following:

- Resources Recovery Cell 19. This project was completed in fiscal year 2005 bearing a total cost of approximately \$3.6 million. During fiscal year 2005, the Department contributed approximately \$171 thousand to the completion of this project.
- Projects continued in connection with the Collection Facility Improvements, NE Station Improvement, T&R Centers Improvements, Truck Wash Facilities, Central Transfer Station Replacement, Environmental Improvements, Disposal Facilities Improvements, Northeast Transfer Compactor Replacement, Northeast Transfer Station Expansion, Northeast Transfer Tipping Floor Crane, South Dade Ground Water Trench and miscellaneous projects at the Resources Recovery Facility (Carbon Monoxide, Fire Safety, Waste Water

Plant, and other plant improvements). The projects listed herein exclude the closure projects discussed below. These projects had a combined cost of \$3.1 million in fiscal year 2005.

- It should be noted that while included in the Department's capital budget, closure projects, in accordance with generally accepted accounting principles, are not capitalized upon completion; therefore, the costs of closure projects completed in fiscal year 2005 have been excluded from property plant and equipment in the summary below. During fiscal year 2005, the Department contributed approximately \$454 thousand to the completion of these closure projects. Closure projects totaling \$292 thousand were completed during fiscal 2005.
- The total of capital and closure projects completed by the Department during fiscal year 2005 totaled \$3.9 million.

Long-term Debt

Fiscal Year 2006

At September 30, 2006, the Department had \$ 241 million in bonds payable and subordinate debt outstanding, as compared to \$250.5 million at September 30, 2005. Of this \$241 million total, \$210 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is, Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2006 as compared to \$218.5 million at September 30, 2005. Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2006, the Department's debt service coverage equaled 303%, as compared to 236% in the fiscal year ended September 30, 2005. This increase in coverage is attributed to higher Net Operating Revenues, resulting from the increase in revenues described above which was partially offset by a 6% increase in the debt service requirement. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2006, the calculation of debt service coverage resulting in 303% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The balance of \$31 million in debt reflects the balance outstanding at September 30, 2006, for the County's Acquisition Special Obligations Bonds, Series 2002A, Series 2004B and Sunshine State Loans, Series I and Series I, 2006 allocated to the Department. This debt is considered subordinate debt to the Department because the County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt.

Total debt decreased \$9.5 million during fiscal year 2006. This decrease reflects the combined effects of debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred charges recorded during fiscal year 2006 which were partially offset by the \$2 million allocation to the Department of the Sunshine State Loan, Series I, 2006, and accretion values recognized for the capital appreciation bonds portion of the Department's Series 2005 bonds as of September 30, 2006.

During February 2005, the Department updated its bond ratings with each of the three major rating agencies. The ratings received are as follows: AAA from Standard and Poor's Credit Market Services, Aaa from Moody's Investors Services, Inc. and AAA from Fitch, Inc. As of September 30, 2006, these ratings had not changed.

The summary of the Department's debt obligations at September 30, (**Table V**) is shown below:

Summary of the Department's Debt Obligations

September 30, 2006

(In thousands)

	Amount Outstanding	Interest Rates
Revenue Refunding Bonds	\$ 47,105	4.0-6.0%
Revenue Bonds	163,375	3.65-5.5%
County Special Obligation Bonds	19,283	2.0-5.0%
Sunshine State Loans	11,313	Variable
Total	\$ 241,076	

September 30, 2005

(In thousands)

	Amount Outstanding	Interest Rates
Revenue Refunding Bonds	\$ 54,866	4.0-6.0%
Revenue Bonds	163,670	3.65-5.5%
County Special Obligation Bonds	21,657	2.0-5.0%
Sunshine State Loan	10,289	Variable
Total	\$ 250,482	
	\$ 	74.140.1

September 30, 2004

(In thousands)

	Amount Outstanding	Interest Rates
Revenue Refunding Bonds	\$ 62,176	4.0-6.0%
Revenue Bonds	90,048	3.65-5.5%
County Special Obligation Bonds	23,737	2.0-5.0%
Total	\$ 175,961	

Additional information concerning the Department's outstanding long-term debt and coverage calculations can be found in Note 4 to the financial statements and Table XII of the Statistical Section of this report.

Fiscal Year 2005

At September 30, 2005, the Department had \$ 250.5 million in bonds payable and subordinate debt outstanding, as compared to \$175.9 million at September 30, 2004. Of this \$250.5 million total, \$218.5 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2005 as compared to \$152.2 million at September 30, 2004. Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2005, the Department's debt service coverage equaled 236%, as compared to 182% in the fiscal year ended September 30, 2004. This increase in coverage is attributed to higher Net Operating Revenues, resulting from the increase in revenues described above which was partially offset by a 5% increase in the debt service requirement. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2005, the calculation of debt service coverage resulting in 236% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The balance of \$32 million in debt reflects the balance outstanding at September 30, 2005, for the County's Acquisition Special Obligations Bonds, Series 2002A, Series 2004B and Sunshine State Loan, Series I allocated to the Department. This debt is considered subordinate debt to the Department because the County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt.

Total debt increased \$74.6 million during fiscal year 2005. This increase reflects the issuance of the Miami-Dade County Solid Waste System Revenue Bonds, Series 2005 and the \$10 million allocation to the Department of the Sunshine State Loan, Series I, partially offset by debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred charges recorded during fiscal year 2005.

During February 2005, the Department updated its bond ratings with each of the three major rating agencies. The ratings received are as follows: AAA from Standard and Poor's Credit Market Services, Aaa from Moody's Investors Services, Inc. and AAA from Fitch, Inc. As of September 30, 2005, these ratings had not changed.

Economic Factors and Next Year's Budgets and Rates

- Miami-Dade County's population growth for fiscal year 2006 was 1.2%, as reported by Miami-Dade County Department of Planning and Zoning, Research Section. During the fiscal year ended September 30, 2006, the average annual number of household (residential) units serviced by the Department increased 2.6%. During the previous two fiscal years the average annual number of household units increased 2.3% and 2.2% per year (fiscal year 2005 and fiscal year 2004, respectively). Information concerning the Department's average annual number of units can be found in Table V of the Statistical Information Section of this report.
- The number of municipal incorporations is continuing. The Department is aware that this is occurring but it will continue servicing the residents of the new municipalities under the current rule of law (Ordinance 96-30). This Ordinance requires those new municipalities to remain as part of the Department's Collection Service Area.
- The number of disposal equivalent revenue tons have been 2.57, 2.03 and 1.79 million for fiscal years 2006, 2005 and 2004, respectively. Information concerning the Department's disposal equivalent revenue tons can be found in Table III A of the Statistical Information Section of this report.

All these factors were considered in the preparation of the Department's budget for fiscal year 2007.

The Adopted Budget for fiscal year 2007 includes:

- A disposal contract tipping fee of \$56.05 per ton. This 4.5% increase over fiscal year 2006, reflects the changes in the consumer price index stipulated for this fee.
- An increase in the annual fee for curbside collection from \$399 to of \$439 per household.
- The Automated Garbage Collections Program is scheduled to be in place by the 4th quarter of fiscal 2007, which will take the number of households receiving automated garbage collection from 144,700 to approximately 280,000 representing approximately 89% of the households served.

The Disposal Fund's Rate Stabilization Reserves remained intact at \$20.2 million as of September 30, 2006, and the Adopted Budget for fiscal year 2007 does not anticipate the use of Rate Stabilization for a capital project.

Request for Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed in writing to the Controller, Department of Solid Waste Management, 2525 NW 62 Street, 5th Floor, Miami, Florida 33147.

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Statements of Net Assets

ASSETS	At September 30,			
CURRENT ASSETS	2006 2005			
		(In thou	ısands)	
Unrestricted Assets				
Cash & cash equivalents	\$	37,578	\$ 13,725	
Investments		49,588	31,711	
Accounts receivable, net of allowance of \$1,448				
and \$1,078 respectively		17,214	15,054	
Due from other County funds		4,030	49,188	
Due from other governments		181	138	
Other current assets		478	491	
Total Unrestricted Assets		109,069	110,307	
Restricted Assets				
Cash & cash equivalents		12,150	11,813	
Accounts receivable		7,672	7,145	
Total Restricted Assets		19,822	18,958	
Total Current Assets		128,891	129,265	
NON-CURRENT ASSETS				
Restricted Assets				
Cash & cash equivalents		44,089	28,957	
Investments		94,526	111,142	
Total Restricted Assets		138,615	140,099	
Capital Assets				
Land		57,544	57,544	
Buildings and improvements, net of depreciation		98,762	116,484	
Machinery and equipment, net of depreciation		54,184	52,191	
Construction in progress		19,248	21,576	
Total Capital Assets		229,738	247,795	
Other Assets				
Loan receivable from other County funds		141	407	
Due from other County funds		_	314	
Other		9,050	9,617	
Total Other Assets		9,191	10,338	
Total Non-Current Assets		377,544	398,232	
TOTAL ASSETS	\$	506,435	\$ 527,497	

Continued

Statements of Net Assets Continued

	At September 30,				
LIABILITIES AND NET ASSETS		2006		2005	
CURRENT LIABILITIES		(In thou	ısands	;)	
Payable from Unrestricted Assets					
Accounts payable and accrued expenses	\$	12,769	\$	46,590	
Due to other County funds		2,378		2,784	
Other current liabilities - compensated absences		3,521		3,469	
Other current liabilities - other		489	_	577	
Total Payable from Unrestricted Assets		19,157	_	53,420	
Payable from Restricted Assets					
Accrued interest payable		4,883		5,110	
Current portion of bonds and notes payable		14,658		13,794	
Accounts payable, restricted		281		54	
Total Payable from Restricted Assets		19,822		18,958	
Total Current Liabilities		38,979	_	72,378	
LONG-TERM LIABILITIES					
Long-term portion of bonds & notes payable, net		226,418		236,688	
Liability for closure & postclosure care costs		103,718		93,222	
Other long-term liabilities- compensated absences		10,374		9,615	
Due to other County funds - long term		1,072		1,505	
Other long-term liabilities-other		1,552	_	1,481	
Total Long-Term Liabilities		343,134	_	342,511	
Total Liabilities		382,113	_	414,889	
NET ASSETS					
Invested in Capital Assets, net of Related Debt		40,991	_	51,983	
Restricted for:					
Debt service		16,364		15,837	
Other purposes		87,059	_	86,010	
Total Restricted		103,423	_	101,847	
Unrestricted (Deficit)		(20,092)	_	(41,222)	
TOTAL NET ASSETS	\$	124,322	\$_	112,608	

Statements of Revenues, Expenses and Changes in Fund Net Assets

		For the Fiscal Years ended September 30,				
		2006 2005				
		(In tho	usand	s)		
Operating Revenues						
Solid waste disposal services	\$	96,504	\$	75,248		
Solid waste collection services		128,179		125,184		
Utility service fees		17,665		16,657		
Electricity sales		23,123		17,504		
Other operating revenues		15,669	_	13,122		
Total Operating Revenues		281,140	_	247,715		
Operating Expenses						
Landfill & disposal operations, net of change						
in closure & postclosure care cost estimates						
for active landfills		27,294		21,299		
Waste-to-energy		67,368		64,191		
Transfer operations		26,864		24,601		
Garbage collection		38,042		35,213		
Trash collection		19,849		16,113		
Recycling		11,404		11,188		
Litter control & County wide lot clearing		1,219		1,675		
Facility maintenance		1,077		1,068		
Enforcement and environmental compliance		6,593		6,019		
General and administrative		23,324	_	23,064		
Total		223,034		204,431		
Depreciation		29,708	_	30,010		
Closure & Postclosure Care Costs for Inactive Landfills		1,649	_	746		
Total Operating Expenses		254,391		235,187		
Operating Income		26,749	_	12,528		
Non-Operating Revenues (Expenses)						
Interest income		7,291		3,084		
Interest expense		(12,207)		(8,743)		
Closure grant		(1,485)		(6,453)		
Other non-operating, net		(8,634)	_	(7,182)		
Total Non-Operating Expenses, Net		(15,035)		(19,294)		
Changes in Net Assets		11,714		(6,766)		
Total Net Assets, beginning of the year		112,608	_	119,374		
Total Net Assets, end of the year	5	124,322	\$_	112,608		

Statements of Cash Flows

	For the Fiscal Years ended September 30,			
	2006		2005	
	(In thou	ısands	s)	
Cash Flows From Operating Activities:				
Cash received from fees and charges	\$ 278,453	\$	245,850	
Cash paid to suppliers	(130,358)		(132,913)	
Cash paid for closure and long-term care costs	(359)		(294)	
Cash paid to employees for services	(70,738)		(69,716)	
Net cash provided by operating activities	76,998		42,927	
Cash Flows From Noncapital Financing Activities:				
Closure grant	(1,842)		(6,097)	
Hurricane expenses not covered by grant	(8,178)		-	
Net cash used by noncapital financing activities	(10,020)		(6,097)	
Cash Flows From Capital and Related Financing Activities:				
Net proceeds from the issuance of bonds and loans payable	2,053		86,402	
Principal payments on bonds and loans payable	(14,228)		(12,095)	
Interest paid	(10,270)		(8,692)	
Proceeds from the sale of equipment	380		151	
Acquisition and construction of capital assets	(11,887)		(30,491)	
Net cash (used) provided by capital and related financing activities	(33,952)		35,275	
Cash Flows From Investing Activities:				
Proceeds from sale and maturity of investments	142,853		60,531	
Purchases of investments	(144,114)		(142,853)	
Interest earned on investments	7,291		3,084	
Receipts from loan to other County fund for land purchase	266		165	
Net cash provided (used) by investing activities	6,296		(79,073)	
Net increase (decrease) in cash and cash equivalents	39,322		(6,968)	
Cash and cash equivalents, beginning of year	54,495		61,463	
Cash and cash equivalents, end of year	\$ 93,817	\$	54,495	
Classified As:				
Unrestricted Assets	\$ 37,578	\$	13,725	
Restricted Assets	56,239		40,770	
Total	\$ 93,817	\$	54,495	
		= =		

The accompanying notes to the financial statements are an integral part of these statements.

Statements of Cash Flows

	For the Fiscal Years ended September 30,				
_		2006		2005	
		(In th	nousand	ds)	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating income	\$	26,749	\$	12,528	
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation		29,708		30,010	
Amortization of closure and postclosure care liability		10,855		9,828	
(Increase) decrease in assets:					
Accounts receivable		(2,687)		(1,865)	
Other current assets		13		4	
Due from other governments & other County funds		45,115		(47,864)	
Other assets		881		3,593	
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses		(33,594)		35,614	
Other current liabilities -		52		132	
compensated absences Other current liabilities - other		(88)		149	
Due to other County funds		(406)		481	
Liability for closure and		(100)			
postclosure costs before amortization		(359)		(294)	
Other long-term liabilities- compensated absences	_	759	_	611	
Net Cash Provided by Operating Activities	\$	76,998	\$	42,927	

Noncash Investing, Capital and Financing Activities:

The decrease in the fair value of investments was approximately \$116,000 and approximately \$447,000 in fiscal years 2006 and 2005, respectively.

Notes to Financial Statements

September 30, 2006 and 2005

1. General and Summary of Significant Accounting Policies

Reporting Entity - In January 1989, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County") passed Administrative Order 9-1 creating the Department of Solid Waste Management (the "Department"). The Department was formed by merging the Department of Solid Waste Collection with the Solid Waste Disposal Division of the Public Works Department into a single agency. The Department provides solid waste collection services for unincorporated Miami-Dade County and solid waste disposal services for all of Miami-Dade County. Under the provisions of the State of Florida 1988 Solid Waste Management Act, the County is responsible for providing sufficient solid waste disposal capacity for all of Miami-Dade County based on a defined "Level of Service Standard", as required by the 1985 State of Florida Growth Management Act.

The financial statements present only the financial position, results of operations and the cash flows of the Department, in conformity with accounting principles generally accepted in the United States of America, and are not intended to present fairly the financial position, results of operations and the cash flows of Miami-Dade County, Florida's proprietary fund types.

Measurement and Focus Basis of Accounting - The Department operates as a self-supporting governmental enterprise fund of the County. An enterprise fund is used to account for operations that recover the cost of services provided from user charges. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The accompanying financial statements combine the accounts of the Solid Waste Collection and Solid Waste Disposal Systems to provide meaningful information with respect to the Department. All significant intersystem transactions have been eliminated.

The financial statements are prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). The Department has elected not to apply certain pronouncements of the Financial Accounting Standards Board issued after November 30, 1989 as permitted by GASB Statement No. 20, Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.

Budgets - The Board of County Commissioners approves annual operating and capital outlay budgets for the Department's waste collection and waste disposal funds, through the enactment of Budget Ordinances. Expenditures are monitored at various levels of classification detail, but may not legally exceed budgeted appropriations at the fund level.

Use of Estimates - The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Hurricane Related Expenses - Hurricane expenses, if any were incurred in the accounting period, are reflected in the financial statements. To the degree these costs can be estimated, the figures have been accrued for in the periods presented.

Revenue Recognition - All waste collection and disposal revenues are recognized when the related services are provided.

Operating and non-operating revenues - The Department distinguishes operating revenues and expenses from non-operating items in its statement of revenues, expenses and changes in net assets. In general operating revenues result from charges to customers for the use of the Department's services. Operating expenses relate to the cost of providing those services including administrative expenses, depreciation and depletion of capital assets and closure and postclosure care for active and inactive landfills.

All other revenues and expenses that do not result from the Department's ongoing operations are considered to be non-operating. Non-operating items include but are not limited to investment earnings, interest expense, grants, capital contributions and hurricane expenses, if any.

Reclassifications - Certain prior year balances have been reclassified to ensure consistency of presentation with the current year.

Cash Equivalents - The Department considers all amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the County to be cash equivalents.

Investments - The investments of the Department are reported at fair value, and unrealized gains or losses due to variations in fair value are taken into income for the year.

Restricted Assets - The use of certain assets is restricted by specific bond covenants and other legal requirements. Assets so designated are identified as restricted assets on the statements of net assets.

Application of restricted and unrestricted resources -The Department's policy when both restricted and unrestricted resources are available to be used for a certain purpose is to use restricted resources first, then use unrestricted resources as needed.

Capital Assets and Depreciation - Property, plant and equipment are capitalized at cost, when cost exceeds \$750. Contributions by third parties are recorded at their fair value on the date of contribution. Expenditures for maintenance, repairs and minor renewals and betterments are expensed as incurred. At the time properties are retired or otherwise disposed of, the cost and any related contributed capital are eliminated from the accounts, and any gain or loss on the transaction is reflected in the statement of revenues and expenses.

Leases that transfer substantially all the benefits and risks of ownership are classified as *capital leases*, and require the lessee to record the assets acquired and the related long-term liability for the lease at the present value of the future minimum lease payments.

Annualized depreciation expense (including depreciation on contributed assets), expressed as a percentage of depreciable property, plant and equipment was 5.4% and 5.5% for the fiscal years ended September 30, 2006 and 2005, respectively. The Department utilizes the straight-line depreciation method of depreciation over the estimated useful lives of the assets, which are as follows:

	Years
Buildings and improvement	10-25
Machinery and equipment	5-10

Loan Receivable from Other County Funds - The Department loaned approximately \$3.1 million to the County Parks Department for the acquisition of property adjacent to the OJUS Landfill (See Note 9), which is to be repaid in annual installments of \$160,000. Approximately \$2.9 million and approximately \$2.7 million had been repaid as of September 30, 2006 and 2005, leaving a remaining balance of \$141 thousand and \$400 thousand, respectively for those fiscal years.

Closure Grant – On March 26, 2004, the County and the City of North Miami, Florida (the "City") entered into a grant agreement (the "Agreement"). Under the Agreement, the County agreed to provide certain grant funds to the City for the cost of financing the remediation and closure of the City's Munisport Landfill Site ("Munisport"). Therefore in fiscal year 2005, the Department transferred \$31.2 million to an interest bearing escrow account for the purposes set forth in the Agreement. The terms of the Agreement prescribe reimbursement to the City from the escrow account based on invoices or draw requests for eligible costs. Because of the cost-reimbursement nature of the Agreement, the Department recognizes grant expenses as the City incurs and presents documentation for reimbursement of eligible reimbursable costs.

During Fiscal Year 2006, approximately \$1.8 million had been reimbursed to the City for eligible costs, leaving a remaining balance of approximately \$24.5 million (after recognizing approximately \$850 thousand in investment income for fiscal year 2006) at September 30, 2006. The escrow account balance is reported as part of "cash with fiscal agent" in the Department's financial statements.

Interest on Indebtedness - Interest is charged to expense as incurred except for interest related to borrowings used for qualified construction projects, which is capitalized, net of interest earned on the construction funds borrowed. Interest expense for the fiscal years ended September 30, 2006 and 2005 was \$12.2 million and \$8.7 million, respectively. These amounts are net of capitalizable interest totaling \$116 thousand and \$619 thousand in fiscal years 2006 and 2005, respectively.

Bond Premium, Deferred Charges and Issuance Costs - Premiums on bonds and notes payable are amortized using the straight-line method over the life of the related bond issues for expediency purpose since, in the opinion of management, the results are not significantly different than those obtained by using the effective interest method of amortization. Bond issuance costs and deferred charges are capitalized and amortized over the life of the bonds.

Grants from Government Agencies - The Department records grants when all eligibility requirements are met under the appropriate grant terms. This normally occurs as amounts are expended and become reimbursable from the granting agency. Revenues from operating grants are accounted for as non-operating revenues.

Pension Plan - The Department contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Contributions are expensed as incurred (see Note 7).

Compensated Absences - The Department accounts for compensated absences by accruing a liability in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. This liability is based on the employees' right to receive compensation for future absences at the time of the absence, or upon termination or retirement.

Cost Allocation - Certain engineering overhead and other costs are allocated between capital projects and operating expenses based on direct labor costs.

2. Cash, Cash Equivalents and Investments

Deposits and Investments

The County pools substantially all cash, cash equivalents and investments, except for those amounts that are required to be held in trust or escrow accounts pursuant to bond ordinances. The Department's share of the total pooled cash and investments is segregated between "Cash and Cash Equivalents" and "Investments" on the accompanying statements of net assets in proportion to the percentages contained in the County's analysis of its pooled cash. Interest earned on pooled cash and investments is allocated to the Department based upon its average daily balance in those assets during the allocation period.

All cash deposits are held in qualified public depositories pursuant to the *Florida Security for Public Deposits Act* (the "Act"), Chapter 280 Florida Statutes. These deposits are considered fully insured since the Act requires all qualified public depositories to pledge, as security, eligible collateral with a market value equal to or greater than the average daily or monthly balance of all public deposits multiplied by the depository's collateral pledging level. The pledging level ranges from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with a State approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the County intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs as well as sales relating to swap transactions. The County does not purchase any security at a lower price with the intent to sell the security later to generate a capital gain. Included in cash and cash equivalents are funds held as cash with fiscal agent pursuant to the Munisport Closure Grant (see Note 1).

These funds are held in a money market account and are not part of the County's pool. These funds are classified as restricted assets. Therefore, the information herein regarding the County's pool about risk and other does not apply to these funds. The balance of the Munisport funds are also held as restricted assts. These are invested in Treasury Notes and are not part of the County's pool either. These items are identified below.

At September 30, 2006, and September 30, 2005 the carrying value of the Department's share of the County's pooled cash and cash equivalents and investments included the following:

2006 Fair Value (In Thousands)

	Investments			n & Cash iivalents	_	Total
Federal Home Loan Mortgage Corporation	\$	19,305	\$	-	\$	19,305
Federal Home Loan Bank		16,313		-		16,313
Federal Farm Credit Banks		2,475		-		2,475
Fannie Mae		20,121		-		20,121
Freddie Mac		274		-		274
Money Market (Closure Grant Funds)		-		2,011		2,011
State of Florida External Investment Pool		12,338	:	21,691		34,029
Time Deposits		1,614		2,838		4,452
Treasury Notes (includes \$22.5M of Closure Grant Funds)		22,641		-		22,641
Petty cash (not invested)		-		2		2
Commercial Paper	_	49,033		67,275	_	116,308
Total	_	\$144,114	\$	93,817	_	\$237,931

2005 Fair Value (In Thousands)

	_11	nvestments		ash & Cash quivalents	_	Total
Federal Home Loan Mortgage Corporation	\$	16,011	\$	-	\$	16,011
Federal Home Loan Bank		19,368		-		19,368
Federal Farm Credit Banks		6,416		-		6,416
Fannie Mae		20,644		-		20,644
Freddie Mac		927		-		927
Money Market (Closure Grant Funds)		-		2,933		2,933
State of Florida External Investment Pool		8,197		11,343		19,540
Treasury Notes (includes \$22.5M of Closure Grant Funds)		22,777		-		22,777
Petty cash (not invested)		-		2		2
Commercial Paper	_	48,513	_	40,217	_	88,730
Total	_	\$142,853	;	\$54,495	_	\$197,348

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and had deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Bankers Acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; Investments in Repurchase Agreements ("Repos") collateralized by securities authorized by this policy.

The ratings below were issued by Moody's, Standard and Poors and Fitch.

The table below summarizes the investments by type, provides the fair value and insured credit rating at September 30, 2006 and September 30, 2005:

Investment Type	,	2006 Fair Value In Thousands)	Credit Rating
investment type		iii iiiousaiiusj	Oredit nating
Federal Home Loan Mortgage Corporation	\$	19,305	AAA
Federal Home Loan Bank		16,313	AAA
Federal Farm Credit Banks		2,475	AAA
Fannie Mae		20,121	AAA
Freddie Mac		274	AAA
State of Florida Investment Pool		12,338	-
Time Deposits		1,614	-
Treasury Notes (includes \$22.6M of Closure Grant Funds)		22,641	-
Commercial Paper	_	49,033	A1/P1
Total	\$	144,114	

Investment Type		2005 Fair Value (In Thousands)	Credit Rating		
Federal Home Loan Mortgage Corporation	\$	16,011	AAA		
Federal Home Loan Bank		19,368	AAA		
Federal Farm Credit Banks		6,416	AAA		
Fannie Mae		20,644	AAA		
Freddie Mac		927	AAA		
State of Florida Investment Pool		8,197	-		
Treasury Notes (includes \$22.5M of Closure Grant Funds)		22,777	-		
Commercial Paper	_	48,513	A1/P1		
Total	\$_	142,853			

Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2006 all of the County's bank deposits were in qualified public depositories. The Department had no bank deposits in the County's pooled cash at September 30, 2006.

The Policy required the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution. All investments are in the name of the County in accordance with County policy.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in non-negotiable interest bearing time certificates of deposit savings accounts with no more than 5% deposited with any one issuer; a maximum 75% of the total portfolio may be invested in federal agencies and instrumentalities; a maximum of 5% of the portfolio may be invested in openend or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of up to 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptance with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptance; a maximum of 10% of the portfolio may be invested with any one institution.

As of September 30, 2006, and September 30, 2005 the following issuers held 5% or more of the cash and cash equivalents and investments as a percentage of the total portfolio:

Issuer	2006 Fair Value (In Thousands) % of Portfolio						
Federal Home Loan Mortgage Corporation	\$ 19,305	8.00%					
Federal Home Loan Bank	16,313	7.00%					
Fannie Mae	20,121	8.00%					
State of Florida Investment Pool	12,338	5.00%					
Commercial Paper	116,308	49.00%					

Issuer	 2005 Fair Value (In Thousands)		
Federal Home Loan Mortgage Corporation	\$ 16,011	8.00%	
Federal Home Loan Bank	19,368	10.00%	
Fannie Mae	20,644	10.00%	
Commercial Paper	88,730	45.00%	

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools.

Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than 1 year. Investments for bond reserves, construction funds and other non-operating fund shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of 5 years.

As of September 30, 2006 and September 30, 2005 the County has the following cash and cash equivalents and investments with the respective weighted average maturity in years:

Investment Type	2006 Fair Value (In Thousands)	Weighted Average in Years
Federal Home Loan Mortgage Corporation	\$ 19,305	0.77
Federal Home Loan Bank	16,313	0.86
Federal Farm Credit Banks	2,475	0.49
Fannie Mae	20,121	1.37
Freddie Mac	274	0.53
Money Market (Closure Grant Funds)	2,011	0.00
State of Florida External Investment Pool	12,338	0.00
Time Deposits	1,614	0.23
Treasury Notes (includes \$22.6M of Closure Grant Funds)	22,641	0.00
Commercial Paper	116,308	0.07

Investment Type	2005 Fair Value (In Thousands)	Weighted Average in Years		
Federal Home Loan Mortgage Corporation	\$ 16,011	0.83		
Federal Home Loan Bank	19,368	1.07		
Federal Farm Credit Banks	6,416	0.88		
Fannie Mae	20,644	0.83		
Freddie Mac	927	0.97		
Money Market (Closure Grant Funds)	2,933	0.00		
State of Florida External Investment Pool	19,540	0.00		
Treasury Notes (includes \$22.5M of Closure Grant Funds)	22,777	0.08		
Commercial Paper	88,730	0.14		

Foreign Currency Risk

The Policy limits the County's foreign currency risk by excluding foreign investments as an investment option.

3. Property, Plant and Equipment

Capital assets activity for each of the years ended September 30, 2006 and September 30, 2005 was as follows: (In Thousands)

		Balance at 10/1/2005		Additions		Deletions		Balance at 9/30/2006
Land	\$	57,544	\$	-	\$	-	\$	57,544
Construction in Progress	_	21,576	_	3,958	_	6,286	_	19,248
Total Non-depreciable Assets	_	79,120	-	3,958	_	6,286	-	76,792
Building & Building Improvements								
Authorized Improvements (Contributed Assets)		507		-		-		507
Buildings	_	307,780	_	2	_			307,782
Total Buildings & Improvements	_	308,287	_	2	_	-	-	308,289
Other Improvements (Incl. Landfills)	-	129,995	-	4,241	_	35	-	134,201
Furniture, Fixtures, Mach & Equip								
Machinery, Equipment & Furniture		24,683		4,774		26		29,431
Automotive Equipment		79,152		5,047		3,606		80,593
Other Capitalizable Items	_	1,089	_		_			1,089
Total Furn,Fix, Mach & Equip	_	104,924	-	9,821	_	3,632	-	111,113
Total Depreciable Assets	-	543,206	-	14,064	_	3,667	-	553,603
Less Accumulated Depreciation for:								
Buildings & Building Improvements		224,544		11,310		-		235,854
Other Improvements		97,254		10,620		-		107,874
Furn, Fixtures, Mach & Equipment		52,733		7,778		3,582		56,929
Total Accumulated Depreciation	_	374,531	-	29,708	_	3,582	-	400,657
Total Depreciable Assets, Net	-	168,675	-	(15,644)	_	85	-	152,946
Total Capital Assets, Net	\$ _	247,795	\$ _	(11,686)	\$	6,371	\$	229,738

Continued

Property, Plant and Equipment Continued

(In Thousands)

		(,	
	Balance at 10/1/2004	Additions	Deletions	Balance at 9/30/2005
Land	\$ 57,544	\$ -	\$ -	\$ 57,544
Construction in Progress	21,123	3,993	3,540	21,576
Total Non-depreciable Assets	78,667	3,993	3,540	79,120
Building & Building Improvements				
Authorized Impr. (Contributed Assets)	507	-	-	507
Buildings	307,780	-	-	307,780
Total Buildings & Improvements	308,287		-	308,287
Other Improvements (Incl. Landfills)	126,455	7,184	3,644	129,995
Furniture, Fixtures, Mach & Equip				
Machinery, Equipment & Furniture	20,627	4,558	503	24,683
Automotive Equipment	64,593	16,321	1,762	79,152
Other Capitalizable Items	1,089			1,089
Total Furn, Fix, Mach & Equip	86,309	20,879	2,265	104,924
Total Depreciable Assets	521,051	28,063	5,909	543,206
Less Accumulated Depreciation for:				
Buildings & Building Improvements	212,738	11,806	-	224,544
Other Improvements	85,379	11,875	-	97,254
Furn, Fixtures, Mach & Equipment	48,560	6,329	2,156	52,733
Total Accumulated Depreciation	346,677	30,010	2,156	374,531
Total Depreciable Assets, Net	174,374	(1,947)	3,753	168,675
Total Capital Assets, Net	\$ 253,041	\$	\$	\$ 247,795

4. Long-Term Debt

Long-term debt includes various bonds, loans and notes payable which have been issued or approved by the County for the construction and improvement of the Department's waste collection and disposal infrastructure, for the defeasance of outstanding debt and for the acquisition of certain machinery and equipment. See Note 5, Restricted Assets, for a discussion of the accounts used in accounting for proceeds and collateral pledged as a result of the issuance of the various forms of debt.

General covenants, along with debt service requirements, are as follows:

Miami-Dade County Revenue Bonds Series 2005 - On April 21, 2005, the County issued \$73.507 million of Miami-Dade County Solid Waste System Revenue Bonds Series 2005 ("the Series 2005 Revenue Bonds").

The Series 2005 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2030, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.04% to 5.25%. Some of these bonds were sold as capital appreciation bonds (\$34,996,583 original principal amount) and some were sold as current interest bonds (principal amount \$23,795,000). The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal year 2006.

The proceeds of \$76.042 million, including the bond premium, are for the purpose of (1) paying or reimbursing the County for the costs of certain solid waste disposal projects (such as closure of former Munisport Landfill located in the City of North Miami \$31.027 million; closure of former municipal landfill located in the City of Homestead \$7.5 million; closure of Cell Three located at the South Miami-Dade Landfill \$6.708 million; closure of former Virginia Key Landfill located in the City of Miami, Phase 1 \$27.635 million; closure study of former Virginia Key Landfill located in the City of Miami \$650,000; and construction of groundwater remediation project at the North Miami-Dade Landfill \$1.48 million), and (2) pay the costs of issuance for the Series 2005 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Revenue Bonds Series 2001 - On February 28, 2001, the County issued \$40.395 million of Miami-Dade County Solid Waste System Revenue Bonds Series 2001 ("the Series 2001 Revenue Bonds").

The Series 2001 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2020, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.375% to 5.50%. The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2006 and 2005.

The proceeds of \$41.147 million, including the bond premium, were used to: (1) pay \$40 million of the Costs for the 1997 Project (such portion of the Costs of the 1997 Project constituting a Project for purposes of the Series 2001 Resolution), and (2) pay the costs of issuance for the Series 2001 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Revenue Bonds Series 1998 - On August 19, 1998, the County issued \$60 million of Miami-Dade County Solid Waste System Revenue Bonds Series 1998.

The Series 1998 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2018, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 3.65% to 5.1%. The required Net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2006 and 2005.

The proceeds of \$59.1 million were used to: (1) pay the principal balance of \$50 million on the Dade County, Florida Solid Waste System Bond Anticipation Notes, Series 1997 which matured on September 1, 1998 (2) provide \$7.758 million for capital expenditures, and (3) pay the costs of issuance for the Series 1998 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Dade County Revenue Refunding Bonds Series 1996 - On January 7, 1997, the County issued \$109.5 million of Dade County Solid Waste System Revenue Refunding Bonds Series 1996.

The Series 1996 Refunding Bonds are secured by the net operating revenues of the Department and are due serially on October 1 through the year 2010, with semiannual interest due on April 1 and October 1, with interest rates ranging from 4.0% to 6.0%. The required Net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2006 and 2005.

The net proceeds of \$108.8 million, together with the \$45.4 million released from reserves related to the refunded obligations and a \$6 million contribution from the Department were used to: (1) pay the balance of \$43.2 million on the Series J State Bond Loan (2) purchase \$116.2 million in U. S. Treasury securities to provide for all future debt service payments on the Series 1985A Dade County Waste System Special Obligation Revenue Bonds and the Series 1986 Dade County Solid Waste System Special Obligation Revenue Refunding Bonds (3) pay the costs of issuance for the Series 1996 Refunding Bonds including premiums for a municipal bond insurance policy and a surety bond. The U. S. Treasury securities were placed in an irrevocable trust with an escrow agent. Accordingly, the refunded obligations totaling \$15.9 million for Series 1985A and \$95.2 million for Series 1986 are considered to be defeased, and the assets held in trust and the liability for the defeased debt have not been included in the accompanying financial statements. As of September 30, 2006, there were no balances outstanding from the defeased Series 1985A and Series 1986.

Other Long-Term Debt

Miami-Dade County Capital Asset Acquisition Bond Series 2004B - On September 29, 2004, the County issued Acquisition Special Obligation Bonds Series 2004B ("the Series 2004B Bonds") of which \$2.945 million was allocated to the Department of Solid Waste Management. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department will pay the County for its share of the annual principal due on the bonds starting April 1, 2006 through the year 2016, along with its share of the semiannual interest payable on April 1 and October 1 (starting April 1, 2005). Interest rates on the bonds ranged from 2.25% to 5.00%.

The Department's share of the bond proceeds of \$3.046 million, including a bond premium of \$101 thousand, was used to: (1) pay \$3.0 million for the purchase and improvement of certain Capital Assets owned by the County, and (2) pay the costs of issuance for the series 2004B Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Capital Asset Acquisition Bond Series 2002A - On September 19, 2002, the County issued Acquisition Special Obligation Bonds Series 2002A ("the Series 2002A Bonds") of which \$21.045 million was allocated to the Department of Solid Waste Management. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department will pay the County for its share of the annual principal due on the bonds starting April 1, 2004 through the year 2013, along with its share of the semiannual interest payable on April 1 and October 1. Interest rates on the bonds ranged from 2.00% to 5.00%.

The Department's share of the bond proceeds of \$23.120 million, including a bond premium of \$2.07 million, was used to: (1) pay \$22.8 million for the purchase and improvement of certain Capital Assets owned by the County, and (2) pay the costs of issuance for the series 2002A Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Sunshine State Loans Series I, 2006 - On July 6, 2006, the Board of County Commissioners approved an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed \$100,000,000 in the form of a loan from the Sunshine State Governmental Financing Commission (the "Commission"), for the purpose of paying or reimbursing cost of certain capital expenditures; providing that such loan shall be secured by covenant to budget and appropriate from legally available non-ad valorem revenues of the County.

On September 7, 2006, the County, on behalf of the Department entered into such loan agreement with the Commission in the amount of \$2.1 million. The 2006 Sunshine State Loan is a fully amortized loan with principal due annually beginning September 1, 2007 through its scheduled maturity date September 1, 2016. Such loan bears interest at a variable rate. The interest rate for this loan during fiscal year 2006 was 2.9%.

Sunshine State Loans Series I, 2005 - On July 7, 2005, the Board of County Commissioners approved an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed \$71,000,000 in the form of a loan from the Sunshine State Governmental Financing Commission (the "Commission"), for the purpose of paying or reimbursing cost of certain capital expenditures; providing that such loan shall be secured by covenant to budget and appropriate from legally available non-ad valorem revenues of the County.

On August 16, 2005, the County, on behalf of the Department entered into such loan agreement with the Commission in the amount of \$10.3 million. The 2005 Sunshine State Loan is a fully amortized loan with principal due annually beginning September 1, 2006 through its scheduled maturity date September 1, 2015. Such loan bears interest at a variable rate. The interest rate for this loan during fiscal year 2006 was 2.5%.

Debt Service Requirements - The Department's debt service requirements to maturity, net of the current portion, current value of deferred charges and unamortized premium/discount at September 30, 2006, are as follows:

		(1	n Thousand	s)	
Maturing in Fiscal Year	Principal		Interest		Total
2007	\$ 13,460	\$	9,396		\$ 22,856
2008	14,210		8,640		22,850
2009	14,955		7,884		22,839
2010	15,700		7,121		22,821
2011	16,495		6,315		22,810
2012-2016	64,084		36,022		100,106
2017-2021	55,317		21,194		76,511
2022-2026	13,790		6,594		20,384
2027-2031	17,936		2,452		20,388
Sub Total	\$ 225,947	\$	105,618		\$ 331,565
Current Portion	(14,658)				(14,658)
Accretion on Series 2005:					
Capital Appreciation Bonds as of 9/30/06	2,281		(2,281)		-
Deferred Charges	(1,983)				(1,983)
Unamortized Premium/Discount, net	3,518				3,518
Sunshine State Loan Series I, 2005	9,260		2,315	(1)	11,575
Sunshine State Loan Series I, 2006	2,053		510	(2)	2,563
Total Debt, net of current portion	\$ 226,418	\$	106,162		\$ 332,580

⁽¹⁾ Based on 5.00% per annum.

Refer to Note 11 for additional information regarding beginning balance, additions, reductions and ending balance.

Sunshine State Loan Series I, 2005

Maturing in Fiscal Year	F	Principal	Interest		Total
2007		1,029	463		1,492
2008		1,029	412		1,441
2009		1,029	360		1,389
2010		1,029	309		1,338
2011		1,029	257		1,286
2012-2015		4,115	514		4,629
Total	\$	9,260	\$ 2,315		\$ 11,575

Sunshine State Loan Series I, 2006

	(In Thousands)					
Maturing in Fiscal Year	Principal	Interest	Total			
2007	169	87	256			
2008	176	80	256			
2009	183	73	256			
2010	191	65	256			
2011	199	57	256			
2012-2016	1,135	148	1,283			
Total	\$ 2,053	\$ 510	\$ 2,563			

⁽²⁾ Based on 4.25% per annum.

Summary of Outstanding Debt (In thousands):

outstanding Debt (in thousands	-	Amount	Maturity	В	alance
Description	Rate	Issued	Date		utstanding
96 Refunding Bonds Plus: Unamortized Premium	4-6%	\$ 109,550	10/1/2010	\$	48,705 383
Less: Deferred Loss on Refunding					(1,983)
Current Portion					(8,680)
Bonds Payable on Series 1996					38,425
98 Revenue Bonds	3.65-5.1%	\$ 60,000	10/1/2018	\$	44,895
Plus: Unamortized Premium - 97 BANS					127
Less:					
Uamortized Discount					(647)
Current Portion				_	(2,590)
Bonds Payable on Series 1998					41,785
01 Revenue Bonds	4.375-5.5%	\$ 40,395	10/1/2020	\$	40,395
Plus: Unamortized Premium					424
Bonds Payable on Series 2001				\$	40,819
05 Revenue Bonds Accretion for Capital Appreciation	4.04-5.25%	\$ 73,507	10/1/2030	\$	73,507
Bonds as of 9/30/06					2,281
Plus: Unamortized Premium					2,393
Bonds Payable on Series 2005				\$	78,181
02 Capital Asset Bonds	2-5%	\$ 21,045	4/1/2013	\$	15,755
Plus: Unamortized Premium	_ 0,0	Ψ = 1,0 .0	., ., _ 0 . 0	*	763
Less: Current Portion					(1,935)
Subordinate Debt Payable on Series 2002A				\$	14,583
04 Capital Asset Bonds	2.25-5%	\$ 2,945	4/1/2016	\$	2,690
Plus: Unamortized Premium	2.23-370	Ψ 2,943	4/1/2010	Ψ	75
Less: Current Portion					(255)
Subordinate Debt Payable on Series 2004B				\$	2,510
	.,	* 40.000	0///00/-		
05 Sunshine State Loan	Variable	\$ 10,289	9/1/2015	\$	9,260
Less: Current Portion Sunshine Loan Payable - Series I					(1,029) 8,231
Sunsnine Loan Payable - Series I				_ _	0,231
06 Sunshine State Loan	Variable	\$ 2,053	9/1/2016	\$	2,053
Less: Current Portion				\$	(169)
Sunshine Loan Payable - Series I, 2006				\$	1,884
Total Debt & Loan Outstanding, net of curre	nt portion at 0	9/30/06		\$	226,418

Prior Years' Defeasance of Debt - In prior years, the County defeased certain bonds by placing the proceeds of new bond issues in irrevocable trusts and investing them in direct obligations of the U.S. Government to provide for all future debt service payments on the old bonds. At September 30, 2006 and 2005, there were no defeased bonds outstanding.

5. Restricted Assets

Restricted assets represent funds that are required to be segregated in restricted accounts under the terms of the various bond agreements (see Note 4) and for compliance with Chapter 24 of the Miami-Dade County Code (See Note 9). Assets were restricted for the following purposes as of September 30:

Restricted Assets	2006		2005
	(in	thousand	s)
Construction & Equipment	\$ 55,014	\$	57,210
Debt service	16,364		15,837
Groundwater Protection	7,672		7,145
Closure grant	24,478		25,270
Rate Stabilization	20,228		20,228
Operating Reserve	 34,681		33,367
Total	\$ 158,437	\$	159,057

6. Risk Management

The Department, along with other County departments, participates in the County's self-insurance programs. The County's Risk Management Division ("RMD") administers property, workers' compensation and general and automobile liability self-insurance programs.

The property self-insurance program covers the first \$5 million of property losses for most perils. A \$200 million self Insured retention per occurrence applied to named windstorm losses. Named windstorm coverage is limited to \$725 million per occurrence. Insurance coverage is maintained with independent carriers for property losses in excess of self insured retention. The County maintains no excess coverage with independent insurance carriers for the workers' compensation, general liability and auto liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. For the years ended September 30, 2006 and 2005, the Department paid approximately \$2.5 million and approximately \$1.4 million, respectively, in premiums for the self-insured programs.

At September 30, 2006 and 2005, the Department had an outstanding payable to RMD for self-insurance claims of approximately \$1.9 million and \$1.7 million, respectively. This \$1.9 million liability represents the current portion of the County's estimate of reported and unreported claims. The long-term portion of the estimated liability is recorded in the Internal Service Fund of the County and it is not allocated to the Department. The total estimate by the self-insurance programs administered by RMD is determined annually based on the estimated ultimate cost of settling claims. The estimate for outstanding claims considers historical experience adjusted for current trends and other factors that would modify past experience. The estimate for losses incurred but not reported, is generated by an independent actuary.

7. Pension Plans and Other Employee Benefits

Pension Plans

The Department, as an enterprise fund of the County, participates in the Florida Retirement System (the "System"/ "FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of the Department's full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970, and those employed prior to 1970, who elect to be enrolled, are covered by the System. Benefits under the plan vest after 6 years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The System also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Pension costs of the Department of Solid Waste Management for the years ended September 30, 2006, 2005 and 2004, amounted to approximately \$4.4 million, \$3.9 million, and \$3.5 million, respectively, representing 8.46% 7.51%, and 7.11% of the Department's covered payroll, for the fiscal years 2006, 2005 and 2004, respectively.

Pension costs for the County, as required and defined by State statute, ranged from 9.85% to 20.92%, 7.83% to 18.65% and 7.39% to 18.65% of gross salaries for fiscal years 2006, 2005 and 2004, respectively. For the fiscal years ended September 30, 2006, 2005 and 2004, the County made 100% of the required contributions

A copy of the System's June 30, 2006 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Fl 32399-1560, or by calling (850) 488-5706.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County service. The Department accrues vacation and sick pay benefits in the period they are earned. Accrued vacation, sick pay and departure incentive program payable (see "Departure Incentive Program" below), which are included in "Other current liabilities-compensated absences" and "Other long-term liabilities-compensated absences" in the accompanying statements of net assets, totaled approximately \$13.9 million and \$13.1 million as of September 30, 2006 and 2005, respectively.

Departure Incentive Program

The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service on or before January 31, 1996, regardless of age. Employees were required to separate from service on or before January 31, 1996. The Program offered single health insurance coverage in a County approved group health plan or a \$300 a month cash payment for a minimum of eight years or until the employee would become eligible for Medicare.

For the fiscal years ended September 30, 2006, and 2005, the Department's share of the Program included in the accompanying statements of net assets under "Other current liabilities—compensated absences" and "Other long-term liabilities—compensated absences" totaled approximately \$151,000 and \$181,000, respectively. These figures represent the estimated remaining cost to the Department for its share of the Program discounted at 4%. Refer to footnote 11 for additional information regarding beginning balance, additions, reductions and ending balance of compensated absences and Departure Incentive Program.

8. Related Party Transactions

The Department provides waste collection and waste disposal services to other County departments as part of the normal course of business, based on regular retail rates. The Department recognized approximately \$5.9 million and \$8.2 million in revenues for each, fiscal year 2006 and fiscal year 2005, respectively. This decrease in fiscal year 2006 reflects the impact of higher disposal fees received from other County departments as a result of Hurricane Katrina in fiscal year 2005. These revenues represent the total of services rendered and the rental of an administration building to other County departments.

Various departments within the County provide goods, administrative services, public safety, facility rental, fleet management and various other services to the Department. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties.

The following represents the major providers of these services and their respective charges, which are included in the accompanying statements of revenues and expenses and changes in fund net assets, for the years ended September 30 as follows:

	2006	0110000	2005
	(in in	ousand	15)
General County Support Charge	\$ 2,770	\$	4,633
GSA-Risk Management	1,947		1,430
GSA-Fleet Management & Other	30,009		24,773
Information Technology Dept.	2,031		1,574
Other County Departments	1,675		2,895
	\$ 38,432	\$	35,305

The Department has an outstanding loan with General Services Administration for the purchase of equipment. The total amount outstanding as of September 30, 2006 and 2005 was approximately \$1.5 million and \$1.9 million, respectively.

9. Closure and Postclosure Care

At September 30, 2006 and 2005, the Department's total liability for landfill closure and postclosure care costs was approximately \$103.7 million and approximately \$93.2 million, respectively. For the fiscal year ended September 30, 2006, approximately \$69.8 million relates to active landfills and approximately \$33.9 million relates to inactive landfills. For the fiscal year ended September 30, 2005, approximately \$60.9 million relates to active landfills and approximately \$32.3 million relates to inactive landfills.

This liability arises from the fact that current laws and regulations require the County to place final covers on landfill cells as they are closed, and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as "closure and postclosure care" costs. The County was in compliance with these requirements as of September 30, 2006.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No.18 Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs (the "Statement"). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the statement of net assets (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until after the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste be recognized entirely in the period of the change.

Expenses for closure and postclosure care are funded from the proceeds of bonds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the "Code"). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Closure and Postclosure Care for Active Landfills

Active landfills consist of the North Dade Landfill (ND), the South Dade Landfill (SD), and the Resources Recovery Ashfill (RR). The change in the closure and postclosure care liability for these landfills for fiscal years 2006 and 2005 are summarized as follows (in millions):

	ND	SD	RR	Total
Balance, 10/01/2005	\$ 24.9	\$ 22.6	\$ 13.4	\$ 60.9
Amortization	3.0	4.1	2.0	9.1
Other Reductions		(.2)		(.2)
Balance, 09/30/2006	\$ 27.9	\$ 26.5	\$ 15.4	\$ 69.8
	ND	SD	RR	Total
Balance, 10/01/2004	\$ 23.2	\$ 19.1	\$9.8	\$ 52.1
Amortization	1.7	3.7	3.56	9.0
Other Reductions		(.2)		(.2)
Balance, 09/30/2005	\$ 24.9	\$ 22.6	\$ 13.4	\$ 60.9

The liability balance of approximately \$69.8 million as of September 30, 2006 represents an increase of approximately \$8.9 million when compared to the preceding year. This increase resulted from the combined effects of (1) amortization of approximately \$9.1 million in the current period to adjust the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of approximately 83% of the existing landfill capacity, and (2) reductions of approximately \$266,000 for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed "cells" of active landfills.

Unrecognized costs of approximately \$25.4 million as of September 30, 2006 will be recognized on a current basis as the existing estimated capacity of approximately 5.8 million tons at September 30, 2006 is used. This estimated capacity is expected to last until 2010 based on current waste flows.

Closure and Postclosure Care for Inactive Landfills

Inactive landfills consist of the Main Landfill at 58th Street (Main), the Ojus Landfill (Ojus), and the Old South Dade Landfill (OSD).

The bond indenture specifically excludes current period expenses related to the assumption of liabilities for inactive landfills from the definition of operating expenses for purposes of determining the Department's net revenue coverage ratio (Note 4).

Under this criterion, approximately \$557,000 in accrued expenses related to Old South Dade landfill site and approximately \$7,000 related to Ojus landfill site were excluded for the fiscal year ended September 30, 2006. These expenses qualified for the exclusion since the Department had "assumed" responsibility for expediting the closing process for the site in 1996, pursuant to agreements with various federal and state agencies.

The change in the closure and postclosure care liability related to inactive landfills for fiscal years 2006 and 2005 are summarized as follows (in millions):

	Main	Ojus	OSD	Total
Balance, 10/01/2005	\$ 9.3	\$ 1.1	\$ 21.9	\$ 32.3
Expense/(Credit)	1.1		.6	1.7
Other Reductions	(.1)			(.1)
Balance, 09/30/2006	\$ 10.3	\$ 1.1	\$ 22.5	\$ 33.9
		-		
	Main	Ojus	OSD	Total
Balance,10/01/2004	\$ 9.2	\$ 1.1	\$ 21.4	\$ 31.7
Balance,10/01/2004 Expense/(Credit)	\$ 9.2 .2	\$ 1.1	\$ 21.4 .5	\$ 31.7 .7
•	*	\$ 1.1	*	•

The liability balance of the inactive landfills for fiscal year 2006 is approximately \$33.9 million. When compared to the preceding year, the liability balance increased approximately \$1.6 million reflecting the offsetting effects of (1) the expense recognized in the current period of approximately \$1.7 million and (2) reductions of approximately \$93,000 for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Refer to Note 10 for additional information regarding beginning balance, additions, reductions and ending balance of liability for closure and postclosure care costs.

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10. Changes in Long-term Liabilities for Fiscal Years 2006 and 2005 are as Follows:

(In Thousands)

					(Juliu	٠,			
	Beginning Balance a 10/1/2009	it	Additions	;	Reduction	s	Ending Balance a 9/30/2006		Due Within O Year	ne
Bonds and loans payable:										
Revenue bonds & County Special Obligation Bonds	\$ 238,712				\$ (12,765)	(b) S	225,947		\$ 14,658	(c)
Accretion on Series 2005 Capital Appreciation Bonds as of 9/30/06			\$ 2,281				2,281			
Loans payable	10,289		2,053	(a)	(1,029)		11,313			
Less deferred amounts:										
For issuance Bond Discount-Series 1998	(701)				54		(647)			
Loss on refunding Bonds-Series 1996	(2,497)				514		(1,983)			
Add deferred bond premium										
Series 1996	483				(100)		383			
1997 BANS	137				(10)		127			
Series 2001	454				(30)		424			
Series 2005	2,493				(100)		2,393			
County SOB Series 2002A (Subordinate Debt)	1,024				(261)		763			
County SOB Series 2004B (Subordinate Debt)	88				(13)		75			
Less Current Portion (due within one year)	(13,794)	(b)	(14,658)	(c)	13,794	(b) 5	(14,658)	(c)		
Total bonds and loans payable, net of current portion	236,688		(10,324)		54		226,418		14,658	(c)
Other liabilities:										
Compensated absences and Departure Incentive Program	9,615		4,992		(4,233)		10,374		3,521	
Liability for landfill closure/postclosure care costs	93,222		11,139		(643)		103,718			
Other: (Special Obligations - Arbitrage)			71				71	(d)		
Other: (Assets held in trust)	1,481		1,481		(1,481)		1,481	(d)		
Due to Other Fund (GSA Equipment Loan)	1,505		1,505		(1,938)		1,072			
Total long-term liabilities	\$ 342,511		\$ 8,864		\$ (8,241)	(343,134		\$ 18,179	

⁽a) County's Sunshine State Loan Series I, Series I 2006

⁽b) See current portion of bonds payable fiscal year ended 9/30/2005

⁽c) See current portion of bonds payable fiscal year ended 9/30/2006

⁽d) See Statement of Net Assets as of 9/30/2006, total \$1,552 million

(In Thousands)

	(In Thousands)					
	Beginning Balance at 10/1/2004	Additions	Reduction	Ending Balance at ns 9/30/2005	Due Within One Year	
Bonds and loans payable:						
Revenue bonds & County Special Obligation Bonds	\$ 177,075	\$ 73,507	\$ (11,870)	(b) \$ 238,712	\$13,794 (c)	
Loans Payable		10,289	(a)	10,289		
Less deferred amounts:						
For issuance Bond Discount-Series 1998	(754)		53	(701)		
Loss on refunding Bonds-Series 1996	(3,010)		513	(2,497)		
Add deferred bond premium						
Series 1996	581		(98)	483		
1997 BANS	148		(11)	137		
Series 2001	484		(30)	454		
Series 2005	-	2,535	(42)	2,493		
County SOB Series 2002A (Subordinate Debt)	1,336		(312)	1,024		
County SOB Series 2004B (Subordinate Debt)	101		(13)	88		
Less Current Portion (due within one year)	(11,870)	(b) (13,794)	(c) 11,870	(b) (13,794) (c)	
Total bonds and loans payable, net of current portion	164,091	72,537	60	236,688	13,794 (c)	
Other liabilities:						
Compensated absences and Departure Incentive Program	9,004	611		9,615	3,469	
Liability for landfill closure/postclosure care costs	83,779	9,737	(294)	93,222		
Other: (Special Obligations - Arbitrage)	286		(286)			
Other: (Assets held in trust)	1,481			1,481		
Due to Other Fund (GSA Equipment Loan)		1,505		1,505		
Total long-term liabilities	\$ \$258,641	\$ 84,390	\$ (520)	\$ 342,511	\$ \$17,263	

⁽a) Re/County's Sunshine State Loan

⁽b) See current portion of bonds payable fiscal year ended 9/30/2004

⁽c) See current portion of bonds payable fiscal year ended 9/30/2005

11. Resources Recovery Facility

Montenay-Dade, Ltd. (the "Company") operates a resource recovery facility (the "Facility") for the County, pursuant to the Third Amended and Restated Operations and Maintenance Agreement (the "Amended Agreement") that expires on October 31, 2023, as amended August 2, 2004. The agreement can be automatically extended for up to four additional five-year renewal terms that would expire on October 31, 2043. Solid waste is delivered to the Facility from the County's transfer stations and directly from municipal customers and private haulers. The garbage and trash are processed into refuse derived fuel and then burned in four boilers that produce steam to turn two turbine generators.

Payments made to the Company under the Amended Agreement are primarily for Tipping Fees on the waste processed through the facility, subject to certain delivery and processing guarantees. The Company is also paid a 50% share of the revenues from the sale of electricity generated by the plant and purchased by Florida Power Corporation under a power purchase agreement. Accordingly, these payments are treated as an operations and maintenance expense.

In order to finance ongoing plant enhancements over the years, the County issued various debt instruments on behalf of the Company, which were refunded from the proceeds of the \$182.7 million Dade County, Florida Resource Recovery Facility Refunding Revenue Bonds issued in 1996 (the "Series 1996 Bonds"). The County contributed approximately \$5 million to cover a portion of the Series 1996 Bonds issuance costs. This portion of the issuance costs is included in the Department's other assets and is being amortized over the life of the bonds. Concurrent with the issuance of the Series 1996 Bonds, the Company issued a promissory note in favor of the County for the original principal amount of the Series 1996 Bonds. The County assigned this note to the Trust Estate created pursuant to the Trust Indenture, which provides that the Series 1996 Bonds are payable solely from and secured only by an irrevocable pledge of a lien on the Trust Estate. The County has not pledged any revenues or property (including the Facility) as security for the Series 1996 Bonds. Therefore, the County's obligation for the Series 1996 Bonds is strictly limited to stipulations in the Amended Agreement, which guarantee a minimum amount of annual Tipping Fees. The Series 1996 Bonds are a debt obligation of the Company, and are, therefore, not reflected in the accompanying financial statements. The principal balance of the bonds outstanding at September 30, 2006 is \$75.6 million.

The Bond proceeds were loaned to the Company pursuant to a September 1, 1996 Loan Agreement. This Loan Agreement requires the Company to assign all Tipping Fees and other operating revenues directly to the Trust Estate in an amount that, at a minimum, will equal the debt service requirements on the Series 1996 Bonds.

The County has guaranteed to deliver at least 936,000 tons per year of On-Site Waste for processing at the Facility plus an additional 100,000 tons, if requested by the Company, unless garbage is unavailable for delivery due to circumstances beyond the County's control. In that event, the County has guaranteed to deliver not less than 702,000 tons per year in On-Site Waste and at least 270,000 tons per year in Recyclable Trash. If the County fails to meet these guarantees, the County will be required to pay the agreed Tipping Fees as if it had in fact delivered the guaranteed tonnage. As of September 30, 2006 and 2005, the County was in compliance with the tonnage guarantees.

In addition to the tonnage guarantees, the County has also covenanted to establish rates at a level that will provide receipts in an amount sufficient to meet its obligation for minimum Tipping Fees under the Amended Agreement. In the event such receipts are insufficient, the County has covenanted that for so long as the Series 1996 Bonds are outstanding, it will appropriate in its annual budget, to the extent permitted, available non-advalorem revenues in an amount sufficient to meet its obligation for minimum Tipping Fees. This appropriation must be in accordance with the budgetary procedures provided by the laws of the State of Florida.

For fiscal years 2006 and 2005, the County recorded expenses of \$52.1 million and \$52.6 million, respectively, in Tipping Fees to the Company. The rates charged for Tipping Fees as of September 30, 2006 were \$32.80 per ton for on-site waste processing other than tires and \$73.53 per ton for clean shredded tires. These rates are adjusted annually for the consumer price index. The tipping fee for Recyclable Trash processed tons was \$28.19 per ton. Fuel and other by-products not returned to County facilities from the Recyclable Trash received a credit of \$1.69 per ton as a recycle credit fee. In addition, the County also paid a Capital Improvements Project fee of \$2.5 million per year.

The rates charged for Tipping Fees as of September 30, 2005 were \$31.95 per ton for on-site waste processing other than tires and \$71.62 per ton for clean shredded tires. These rates are adjusted annually for the consumer price index. The tipping fee for Recyclable Trash processed tons was \$27.46 per ton. Fuel and other by-products not returned to County facilities from the Recyclable Trash received a credit of \$1.65 per ton as a recycle credit fee. In addition, the County also paid a Capital Improvements Project tipping fee of \$2.5 million per year.

Concurrent with the issuance of the Series 1996 Bonds, the County entered into an interest rate swap agreement for purposes of converting the fixed interest payments on the Series 1996 Bonds into variable rate payments. This Agreement, which is also part of the Trust Estate, has no effect on the County's obligation under the Trust Indenture to pay the principal and interest on the Series 1996 Bonds. It provides for the Trustee to pay interest calculated at a variable rate to the counterparty in the swap. The counterparty, in turn, is required to pay the Trustee interest at a fixed rate. Should interest rates increase significantly or there be a significant reduction in marginal income tax rates, the County could be exposed to increased payment obligations through increased Tipping Fees.

On October 23, 1997, the County entered into a second swap agreement to take advantage of the interest rate savings between the variable taxable and tax exempt rates. This Agreement provides for the Trustee to pay interest at a fixed rate to the counterparty in the swap. The counterparty, in turn, pays the Trustee interest at a taxable variable rate. If the counterparty defaults or if the swap is terminated, the County will be exposed to the rates established in the Series 1996 Bonds. Termination may result in the Trustee making or receiving a termination payment. From inception through September 30, 2006, this swap had yielded total savings of approximately \$6.8 million, including negative savings during fiscal years 2006 and 2005 of approximately \$388 thousand and \$498 thousand, respectively.

In the event of termination, the County must find a successor operator. This operator will be required to assume the Company's obligations under the Amended Agreement and Trust Indenture, or pay the Trustee an amount equal to the higher of (1) the Unamortized Capital Cost or (2) the minimum tipping fee amounts due under Sec-

tion 7.1.9 of the Amended Agreement. The aggregate amounts of estimated Tipping Fees, to be paid under the Amended Agreement for future fiscal years are as follows:

Fiscal Year	Amount
2007	48,637,379
2008	48,398,608
2009	48,159,460
2010	47,907,851
Thereafter	142,231,449
Total	\$ 335,334,747

The amounts above represent the County's share, net of the Company's contract obligations and the effect of the fixed to variable rate swap arrangements generating positive cash flows. The amounts are based on 702,000 tons of on-site waste plus 270,000 tons of RTI to be processed in fiscal year 2007 and annually thereafter. The amounts were computed using rates effective October 1, 2006.

12. Commitments and Contingencies

Contract Disposal

During fiscal year 2006, the Department maintained a long-term waste disposal contract with a private regional disposal facility provider, Waste Management Inc. of Florida ("Waste Management").

The Waste Management contract is effective until September 30, 2015, with two additional five-year renewal options. Under the terms of the contract, the County must deliver or direct to be delivered, a minimum of 100,000 tons per year to a landfill located in the Town of Medley, Florida. The County may dispose of a combined total of up to 500,000 tons per year at that site or the Central Sanitary Landfill located in Pompano Beach, Florida. The contract fixed the disposal fee paid by the County at \$24.50 per ton until October 1, 1999, providing for annual adjustments thereafter based on increases in the consumer price index (CPI). The disposal fee paid by the County for the first 100,000 tons in fiscal years 2006 and 2005 was \$28.90 and \$28.15 per ton, respectively. As of September 30, 2006, the County was in compliance with this contract.

Litigation

The Department is a defendant in certain legal proceedings, which occur in the normal course of operations. In the opinion of the Department's legal counsel, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the Department.

Construction

The Department had contractual commitments of approximately \$850 thousands for construction at September 30, 2006.

Consent Orders

During fiscal year 2006 compliance with the 200 ppm CO (Carbon Monoxide) standard for the facility was over 99.9%. In May 2006 USEPA, recognizing the unique technology employed at the facility, adopted a different CO standard averaging time and emission limit of 250 ppm. Adoption of this standard by the Florida Department of Environmental Protection (FDEP) is anticipated in late FY 2007.

Montenay-Dade, Ltd., the RRF plant operator, had previously entered into a Consent Order (OGC File No. 05-1530) to resolve issues in the following warning letters from the FDEP: WL04-0018AS13SED issued October 19, 2004; WL0007AS13SED issued February 24, 2004; WL04-0033AS13SED issued January 3, 2005; and WL05-0001AS13SED issued January 11, 2005, and other violations including a CO violation occurring on April 13, 2005, irregularities in stack testing methods, violations in visible emission standards and reporting deficiencies. The Order included penalties of \$113,600, which were satisfied via implementation of Pollution Prevention (P2) projects. The P2 projects have been implemented and the terms of the Consent Order between MPC and FDEP, which was executed on November 28, 2005, have been honored. The Order will be closed upon adoption by FDEP of the revised CO standard.

Three issues, which may result in regulatory action, occurred during the period. These were a single exceedence of the Sulfur Dioxide (SO2) standard, a single exceedence of the Opacity standard and a discovery of irregularities in administering and reporting the carbon feed rate to the Air Quality Control System (AQCS) for the period of 2003 through 2006. The latter issue, when discovered by MPC, was immediately self-reported to the FDEP. The impact of these three issues is not reasonably estimable at the present time.

During FY 2006 MPC began construction of a wastewater pretreatment system to resolve exceedences of the sewer discharge standards set by the County's regulatory Agency, Department of Environmental Regulation (DERM). Completion of the system is anticipated in mid-FY 2007.

On September 29, 2006, FDEP issued two Warning Letters (WL06-0044AV13SED and WL06-0041AV13SED) concerning operation of the Landfill Gas (LFG) Systems at North and South Dade Landfills, respectively. The alleged violations stem from a revised interpretation by USEPA/FDEP of their guidance for compliance with flare station downtime reporting and classification; impacts to the well-field at North Dade, which were a consequence of disposal of large amounts of debris associated with the 2005 hurricanes; and a other minor issues including a few temperature and oxygen excursions in the extractions wells and flares. Department of Solid Waste Management (DSWM) representatives and Shaw officials, DSWM's contracted Operator of the LFG Systems, met with FDEP officials and presented documentation regarding the allegations. FDEP's evaluation of and response to the additional information are pending.

Rates and Fees

The Department's basic residential garbage and trash collection rates per household per year for the fiscal years ended September 30, 2006 and 2005 were as follows:

	2006	2005
Residential Curbside Collection	\$399	\$399
Residential Dumpster Service	\$308	\$308

The residential dumpster service of \$308 per year was established by the Board for the period starting October 1, 2003, increasing the former fee from \$269. This fee applies to approximately 2,702 waste units corresponding to the 2,702 accounts.

The garbage collection fees for commercial and multi-family units ranged from \$214.60 to \$822.59 per month for Customer-owned rollaway and \$230.73 to \$869.25 per month for County-owned rollaway. The fees range depending on the number of collections per week, the size of the rollaway container (dumpster), and ownership (County or customer) of the container.

The Department's basic disposal (tipping fee and transfer fee) fee rates per ton for the fiscal years ended September 30, 2006 and 2005 were as follows:

	2006	2005
Contract Disposal	\$53.65	\$52.25
Non-contract Disposal	\$70.75	\$68.90
Tires	\$75.00	\$75.00
Transfer Fee	\$10.60	\$10.35

The contract disposal rate is only available to long-term contract customers and municipalities with long-term interlocal agreements. The contract rate is increased annually based on the consumer price index.

Waste collection services for the fiscal year ended September 30, 2006, totaled approximately \$128.2 million and comprised approximately 45.6% of total operating revenues. For the same period, disposal services totaled approximately \$96.5 million and comprised approximately 34.3% of total operating revenues.

Waste collection services for the fiscal year ended September 30, 2005, totaled approximately \$125.1 million and comprised approximately 50.5 % of total operating revenues. For the same period, disposal services totaled approximately \$75.2 million and comprised approximately 30.4% of total operating revenues.

13. New Accounting Pronouncements

(i) Governmental Accounting Standards Board Statement No.42

During fiscal year 2006, the Department has adopted the provisions of GASB Statement No.42 – *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.* This Statement states that impaired capital assets that will no longer be used by the government should be reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the government should be measured using the method that best reflects the diminished service utility of the capital asset. Impairment of capital assets with physical damage generally should be measured using a restoration cost approach. Impairment of capital assets due to enactment or approval of laws or regulations or other changes in environmental or technological factors, should be measured based on a service units approach. The adoption of this statement was not material to the fiscal year 2006 financial statements.

(ii) Governmental Accounting Standards Board Statement No.44

During fiscal year 2006, the Department has adopted the provisions of GASB Statement No.44 – *Economic Condition Reporting: The Statistical Section*, an amendment to NCGA Statement No.1 – *Governmental Accounting and Financial Reporting Principles.* This statement identifies the specific information required by the statistical section standards and set forth the overarching objectives of statistical section information. The statistical section provides crucial data to many different kinds of consumers of governmental financial information, ranging from municipal credit analysts to state legislators, city council members, oversight bodies, and citizen and taxpayer organizations.

(iii) Governmental Accounting Standards Board Statement No.46

During fiscal year 2006, the Department has adopted the provisions of GASB Statement No.46 – *Net Assets Restricted by Enabling Legislation*. This Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor. The adoption of this statement was not material to the fiscal year 2006 financial statements.

14. Subsequent Events

Landfill Closure Grant Agreement

On November 20, 2006, the County and the City of Homestead, Florida (the "City") entered into a Landfill Closure Grant Agreement (the "Agreement"). Under the Agreement, the County agreed to provide certain grant funds to the City for the cost of financing the remediation and closure of the City's Landfill Site. On January 25, 2007, the Department transferred \$7.5 million to an interest bearing escrow account for the purposes set forth in the Agreement. The terms of the Agreement prescribe reimbursement to the City from the escrow account based on invoices or draw requests for eligible costs. Because of the cost-reimbursement nature of the Agreement, the Department will recognize grant expenses as the City incurs and presents documentation for reimbursement of eligible reimbursable costs.

Transfer approved by the Miami-Dade County, Florida, Board of County Commissioners

On January 25, 2007, the Board of County Commissioners approved to fund unbudgeted hurricane-related expenses with combined system unrestricted reserves. The unbudgeted hurricane-related expenses resulted from excess disposal costs, unbudgeted overtime and fleet costs ensuing from the storms service delivery activities. The Supplemental Schedules of Net Assets and Supplemental Schedules of Revenues, Expenses and Changes in Fund Net assets for the Department's disposal and collection activities included under Supplementary Financial Information reflect the impact of this \$20.1 million transfer. This \$20.1 million inter-fund transfer had no impact on the combined financial statements.



SUPPLEMENTAL SCHEDULES SUPPLEMENTARY FINANCIAL INFORMATION

(UNAUDITED)

The following section includes the financial statements of the Solid Waste Disposal and Solid Waste Collection Systems. These systems' financial statements, identified as Supplemental Schedules, are furnished solely as supplementary information and are not required by accounting principles generally accepted in the United States of America.

Disposal System (Unaudited)

Supplemental Schedules of Net Assets

	At September 30,			
	2006	2005		
	(In the	ousands)		
ASSETS				
CURRENT ASSETS				
Unrestricted Assets				
Cash & cash equivalents	\$ 30,833	\$ 12,096		
Investments	49,588	27,984		
Accounts receivable, net	14,697	12,851		
Other current assets	478	491		
Total Unrestricted Assets	95,596	53,422		
Restricted Assets				
Cash & cash equivalents	8,290	8,171		
Accounts receivable	7,672	7,145		
Total Restricted Assets	15,962	15,316		
Total Current Assets	111,558	68,738		
NON-CURRENT ASSETS				
Restricted Assets				
Cash & cash equivalents	43,271	28,611		
Investments	88,556	102,123		
Total Restricted Assets	131,827	130,734		
Capital Assets, net	193,557	209,661		
Total Capital Assets	193,557	209,661		
Other Assets				
Loan receivable from other County funds	141	407		
Due from other County funds		15,120		
Other assets	8,792	9,277		
Total Other Assets	8,933	24,804		
Total Non-Current Assets	334,317	365,199		
TOTAL ASSETS	\$445,875	\$433,937		

Continued

	At September 30,			
	200)5	2005	
		(In thou	ısands)	
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Payable from Unrestricted Assets				
Accounts payable and accrued expenses	\$ 9,	632	\$ 5,959)
Due to other County funds	1,	634	1,538	\$
Other current liabilities - compensated absences	1,	374	1,662	<u>'</u>
Other current liabilities - other		183	166	<u>; </u>
Total Payable from Unrestricted Assets	12,	823	9,325	
Payable from Restricted Assets				
Accrued interest payable	4,	411	4,597	,
Current portion of bonds & notes payable	11,	270	10,665	;
Accounts payable, restricted		281	54	ļ
Total Payable from Restricted Assets	15,	962	15,316	;
Total Current Liabilities	28,	785	24,641	
LONG-TERM LIABILITIES				
Long-term portion of bonds & notes payable, net	199,	209	207,871	
Liability for closure & postclosure care costs	103,	718	93,222)
Other long-term liabilities - compensated absences	4,	088	4,605	,
Other long-term liabilities - other	1,	552	1,481	
Total Long-Term Liabilities	308,	567	307,179)
Total Liabilities	337,	352	331,820)
NET ASSETS				
Invested in Capital Assets, net of Related Debt	27,	242	35,501	_
Restricted for:				
Debt service	15,	798	15,284	
Other purposes	87,	059	86,010	<u> </u>
Total Restricted	102,	857	101,294	
Unrestricted (Deficit)	(21,	576)	(34,678))
TOTAL NET ASSETS	\$ <u>108,</u>	523	\$ 102,117	,

Disposal System (Unaudited)

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Assets

	For the years ended September 30,			
		2006		2005
		(In th	ousand	s)
Operating Revenues				
Solid waste disposal services	\$	96,504	\$	75,248
Utility service fees		17,665		16,657
Electricity sales		23,123		17,504
Other operating revenues		13,304		10,940
Total Operating Revenues		150,596	_	120,349
Operating Expenses				
Landfill & disposal operations, net of change in closure & postclosure				
care cost estimates for active landfills		27,294		21,299
Waste-to-energy		67,368		64,191
Transfer operations		26,864		24,601
Recycling		81		69
Facility maintenance		1,077		1,068
County wide lot clearing		(134)		258
Enforcement and environmental compliance		3,489		3,294
General and administrative		12,040	_	13,502
Total	_	138,079	_	128,282
Depreciation		24,021	_	25,522
Closure and Postclosure Care Costs for Inactive Landfills	_	1,649	_	746
Total Operating Expenses		163,749		154,550
Operating Loss	_	(13,153)	_	(34,201)
Non-Operating Revenues (Expenses)				
Interest income		6,123		2,514
Interest expense		(10,987)		(7,681)
Closure grant		(1,485)		(6,453)
Other non-operating, net		(999)	_	(390)
Total Non-Operating Expenses, Net	_	(7,348)	_	(12,010)
Transfer Out	_	(20,101)	_	
Changes in Net Assets	\$	(40,602)	\$	(46,211)

Waste Collection System (Unaudited)

Supplemental Schedules of Net Assets

	At September 30,				
		2006		2005	
		(In tho	usands,)	
ASSETS					
CURRENT ASSETS					
Unrestricted Assets					
Cash & cash equivalents	\$	6,745	\$	1,629	
Investments				3,727	
Accounts receivable, net		2,517		2,203	
Due from other County funds		4,030		49,188	
Due from other governments	_	181	_	138	
Total Unrestricted Assets		13,473	_	56,885	
Restricted Assets					
Cash & cash equivalents		3,860		3,642	
Total Restricted Assets	-	3,860	_	3,642	
Total Current Assets	-	17,333		60,527	
NON-CURRENT ASSETS					
Restricted Assets					
Cash & cash equivalents		818		346	
Investments		5,970		9,019	
Total Restricted Assets	-	6,788	_	9,365	
Capital Assets, net		36,181		38,134	
Total Capital Assets	-	36,181	_	38,134	
Other Assets					
Due from other County funds				314	
Other assets	_	258	_	340	
Total Other Assets		258		654	
Total Non-Current Assets		43,227	_	48,153	
TOTAL ASSETS	\$	60,560	\$	108,680	

Continued

Waste Collection System (Unaudited)

Supplemental Schedules of Net Assets

	At September 30,			30,
-	:	2006	2005	
		(In thou	ısands)	
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Payable from Unrestricted Assets				
Accounts payable and accrued expenses	\$	3,137	\$	40,631
Due to other County funds		744		16,366
Other current liabilities - compensated absences		2,147		1,807
Other current liabilities - other		306		411
Total Payable from Unrestricted Assets		6,334		59,215
Payable from Restricted Assets				
Accrued interest payable		472		513
Current portion of bonds and notes payable		3,388		3,129
Total Payable from Restricted Assets	_	3,860	_	3,642
Total Fayable Holl Flooring Andrew	_		_	0,012
Total Current Liabilities		10,194	_	62,857
LONG-TERM LIABILITIES				
Long-term portion of bonds and notes payable, net		27,209		28,817
Other long-term liabilities - compensated absences		6,286		5,010
Due to other County funds - long term		1,072		1,505
Total Long-Term Liabilities		34,567	_	35,332
Total Liabilities	_	44,761	_	98,189
NET ASSETS				
Invested in Capital Assets,		40.740		10.400
net of Related Debt	_	13,749	_	16,482
Restricted for:				
Debt service		566		553
Other purposes	_	-	_	-
Total Restricted	_	566	_	553
Unrestricted (Deficit)	_	1,484	_	(6,544)
TOTAL NET ASSETS	\$	15,799	\$_	10,491

Waste Collection System (Unaudited)

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Assets

		For the years ended September 30,			
		2006		2005	
		(In th	nousar	nds)	
Operating Revenues					
Solid waste collection services	\$	128,179	\$	125,184	
Other operating revenues	-	2,365		2,182	
Total Operating Revenues	_	130,544	_	127,366	
Operating Expenses					
Garbage collection		38,042		35,213	
Trash collection		19,849		16,113	
Recycling		11,323		11,119	
Litter control		1,353		1,417	
Enforcement and environmental compliance		3,104		2,725	
General and administrative	-	11,284		9,562	
Total	-	84,955		76,149	
Depreciation	_	5,687		4,488	
Total Operating Expenses	_	90,642	_	80,637	
Operating Income	_	39,902		46,729	
Non-Operating Revenues (Expenses)					
Interest income		1,168		570	
Interest expense		(1,220)		(1,062)	
Other non-operating, net	-	(7,635)		(6,792)	
Total Non-Operating Expenses, Net	_	(7,687)	_	(7,284)	
Transfer In		20,101	_		
Changes in Net Assets	\$	52,316	\$	39,445	



STATISTICAL SECTION (UNAUDITED)

Schedule of Revenues, Expenses & Changes in Fund Net Assets and Schedule of Net Assets (Unaudited)

Last Ten Years (In Thousands)

OPERATING REVENUE	FY 1997	FY 1998	FY 1999
Tipping Fees	\$46,211	\$44,083	\$49,557
Medley Surcharge	3,122	1,858	1,901
Electrical Revenue	10,228	10,464	12,791
Utility Service Fee	13,596	13,256	14,805
Disposal Facility Fee	4,757	5,296	6,905
Collections Revenue	92,118	93,468	95,252
Other Operating Revenue	,	427	2,132
Total Operating Revenues	170,032	168,852	183,343
OPERATING & MAINTENANCE EXPENSES		·	
Landfill Operations	11,904	5,987	15,637
Transfer Operations	14,262	13,717	14,236
Waste-to-Energy	44,805	47,382	48,925
Garbage Collections	25,824	25,419	25,950
Trash Collections	13,120	13,234	12,461
Recycling	8,997	8,999	9,089
Other Operating	18,394	20,583	22,141
Total Operating Expenses	137,306	135,321	148,439
Operating Income Before			
Depreciation & Other	32,726	33,531	34,904
Depreciation	18,342	17,914	15,721
Closure and postclosure costs (recovery) for inactive landfills	22,102	(10,495)	3,478
Operating Income (Loss)	(7,718)	26,112	15,705
NON-OPERATING REVENUE (EXPENSE)			
Interest Income	4,689	4,651	4,700
Interest Expense	(7,365)	(7,970)	(8,525)
Operating Grants	3,473	2,502	2,535
Other	389	(8,002)	(3,366)
Non-Operating Income (Expense), Net	1,186	(8,819)	(4,656)
Income (Loss) Before Transfers & Capital Contributions	(6,532)	17,293	11,049
OPERATING TRANSFERS	(1,336)	17,293	11,049
CAPITAL CONTRIBUTIONS (3)	(1,330)	48	4,113
Changes in Net Assets	(\$7,868)	\$17,293	\$11,049
Onanges in Net Assets		Ψ17,200	<u> </u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	\$116,130	\$110,928	\$100,007
Restricted	15,391	15,148	36,441
Unrestricted (Deficit)	(93,161)	(70,375)	(65,585)
Total Net Assets	\$38,360	\$55,701	\$70,863

SOURCE: Miami-Dade County Department of Solid Waste

Note: (1) For fiscal year 2005 this figure includes among others, hurricane expenses of approximately 5.2 million and closure grant of approximately \$6.5 million.

⁽²⁾ For fiscal year 2006 this figure includes among others, hurricane expenses of approximately 8.2 million and closure grant of approximately \$1.5 million.

⁽³⁾ Capital Contributions (Net) for fiscal years 98-00 have been reflected in the Schedule of Revenues, Expenses and Changes in Fund Net Assets for consistency in this presentation.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	
\$56,346	\$45,783	\$51,951	\$52,722	\$53,066	\$74,407	\$95,530	
1,276	1,611	1,031	513	715	841	974	
15,671	15,080	16,383	19,195	16,593	17,504	23,123	
15,323	14,587	14,528	14,824	15,798	16,657	17,665	
8,227	8,339	8,089	8,157	8,286	8,955	10,965	
97,954	101,912	100,599	104,785	123,224	125,184	128,179	
2,190	4,391	3,973	3,946	4,290	4,167	4,704	
196,987	191,703	196,554	204,142	221,972	247,715	281,140	_
					-		
28,592	5,290	19,042	12,375	13,992	21,299	27,294	
13,196	15,189	16,617	17,418	24,844	24,601	26,864	
58,970	61,550	61,366	65,383	64,748	64,191	67,368	
24,782	27,924	31,394	32,518	34,415	35,213	38,042	
12,067	15,379	16,018	18,429	13,186	16,113	19,849	
9,637	9,400	10,106	10,249	10,175	11,188	11,404	
23,898	26,346	28,781	28,419	28,906	31,826	32,213	
171,142	161,078	183,324	184,791	190,266	204,431	223,034	_
25,845	30,625	13,230	19,351	31,706	43,284	58,106	
14,436	23,454	23,581	25,356	27,913	30,010	29,708	
704	(1,000)	(2,412)	798	642	746	1,649	
10,705	8,171	(7,939)	(6,803)	3,151	12,528	26,749	_
6,134	6,265	2,914	1,958	1,201	3,084	7,291	
(7,954)	(8,777)	(9,224)	(9,623)	(8,793)	(8,743)	(12,207)	
3,642	1,636	181	429	260	, ,	, ,	
(3,724)	(577)	(607)	259	789	(13,635)	(1)(10,119)	(2)
(1,902)	(1,453)	(6,736)	(6,977)	(6,543)	(19,294)	(15,035)	_
8,803	6,718	(14,675)	(13,780)	(3,392)	(6,766)	11,714	
43,309	10,569	9,986	973	-	-		
\$8,803	\$17,287	(\$4,689)	(\$12,807)	(\$3,392)	(\$6,766)	\$11,714	
\$137,240	\$128,197	\$121,693	\$107,846	\$94,847	\$51,983	\$40,991	
44,759	75,502	72,766	70,143	73,663	101,847	103,423	
(59,024)	(63,437)	(58,886)	(55,223)	(49,136)	(41,222)	(20,092)	
\$122,975	\$140,262	\$135,573	\$122,766	\$119,374	\$112,608	\$124,322	_



Solid Waste Stream Components Explained* (Unaudited)

Garbage	Trash	Construction and Demolition Debris (C&D)	Agricultural Waste				
Source:							
Household and businesses.	Household and businesses.	Construction and demolition projects.	Farming.				
Waste types:							
Paper, food waste, glass containers, meal cans, plastics, disposable diapers, aviation ash and recycling residue.	Paper, wood, yard trash textiles, glass, plastics,metals, furniture and other large bulky waste items.	Concrete, brick, wood, metals, glass, and roofing materials	Spoiled or undesirable fruits and vegetables.				
Characteristics:							
Contains waste materials that rot, smell, produce liquids, and dissolve in water. Has significant potential to contaminate ground and surface waters. If landfilled it should contain only minute amounts of yard trash.	Contains only minute amounts of food waste. Has lesser potential than garbage to contaminate ground and surface waters.	Generally inert material that does not degrade easily or dissolve in water.	These materials are high in organic content and degrade quickly.				
Typical Management M	Typical Management Methods:						
Recycling, Class I (lined) landfill or incinerator.	Recycling, Class III landfill (which may not require a liner), Class I lined landfill if yard trash is eliminated, or incinerator.	Recycling, C&D unlined landfill, Class III landfill, Class III landfill,	Typically spread on crop fields to increase organic content of soils.				

IMPORTANT NOTE: If a particular waste stream component is mixed with a waste stream component that requires a more stringent method of disposal, the entire waste mix must be disposed of using the more stringent methods. For example: if garbage is mixed with trash the entire mix must be disposed of as garbage. Garbage disposal requirements are more stringent than those for trash alone.

^{*} The above information is introductory in nature and is not intended as an exhaustive analysis.

^{**} This category includes household hazardous waste which is exempt from regulation under RCRA due to small quantities generated by households. Such waste may be lawfully placed in a Class I landfill.

Special Waste	Bio-Medical Waste	Hazardous Waste
Source:		
Environmental clean-up utilities, governments and businesses.	Hospitals, clinics, doctor's offices, and medical research facilities.	Businesses, academic research facilities, and households.**
Waste types:		
Contaminated soil, sewage sludge, tires, sterilized medicalwaste, asbestos, and dead animals.	Dressing, sharps, body tissues, disposable glass or plastic containers, etc.	Corrosive, reactive, and toxic chemicals classified as hazardous wastes under the Resource Conservation and Recovery Act (RCRA)
Characteristics:		
Materials that require special handling due to their unique composition or concentration. Immediate cover is often required.	Materials with a high potential for spread of disease. Must be separated from other wastes.	Materials with a high potential to contaminate the environment. Human or animal contact with these materials is very dangerous. These materials are often highly flammable, toxic and/or corrosives.
Typical Management Methods:		
Class I landfill.	Medical waste incinerator. Ash or sterilized medical waste must be disposed of in a Class I landfill.	Fuel blending for reuse, chemical neutralization, hazardous waste incinerator, or hazardous waste depending on material type.



TABLE IIIA
Disposal System (Unaudited)

Tonnages

REVENUE TONS	FY 1997	FY 1998	FY 1999	FY 2000
Clean Yard Trash	37,917	47,968	66,273	107,179
Garbage	859,307	883,208	933,714	911,015
Trash (1)	616,561	605,807	627,876	668,141
Storm Related Waste		15,865	6,727	68,133
C & D	1,349	344	248	304
Whole Tires (2)	12,633	11,819	13,303	15,742
Special Waste (3)	27,357	5,718	5,438	5,140
Reduced Fee Cover Material	3,126	283		24,042
Total Revenue Tons (4)	1,558,250	1,571,012	1,653,579	1,799,696
Ojus/OSD Waste	146,725	3,148		
Resources Recovery Plant Demolition &				
Stormwater Drainage & Cleanout material				
Closure debris from RR ashfill to ND				
DSWM furniture to ND				
Resources Recovery Capital Expenses	9,952			
Total Tons(4A)/(7)	1,714,927	1,574,160	1,653,579	1,799,696
Equivalent Revenue Tons(4B)	1,586,043	1,571,689	1,653,579	1,780,841
NET DISPOSED TONS:				
South Dade Landfill	301,790	214,653	251,245	380,538
North Dade Landfill	371,615	360,022	374,117	318,200
Resources Recovery Net Incinerated	478,538	557,053	565,712	520,894
Resources Recovery Ashfill	126,848	138,892	143,367	146,705
Contract Disposal:				
To Waste Management	201,402	116,427	140,066	141,457
To Wheelabrator	106,076	92,425	60,505	68,654
Total Net Ton's Disposed	1,586,269	1,479,472	1,535,012	1,576,448

⁽¹⁾ Trash includes oversize tires to North Dade Landfill.

⁽²⁾ Whole tires are accepted at Resources Recovery only.

⁽³⁾ Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste.

⁽⁴⁾ Total Revenue Tons figure excludes ash from Okeelanta to RR-Ashfill in FY 2000, pursuant to agreement accepted in lieu of fines.

⁽⁴A) Total Tons figures herein were reported as Revenue Tons in filings prior to FY 2000. Disposal costs for construction tonnage (Ojus/OSD Waste and RR-Capital Expenses) were reimbursed from capital projects.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
87,551	93,436	96,967	53,707	36,454	37,464
900,246	955,944	1,011,420	1,034,834	1,058,295	1,122,638
671,102	740,125	725,796	657,097	673,696	849,707
1,982		2,847	19,952	228,023	501,063
1,328	83	1	20	1	21
14,177	13,801	14,869	18,066	24,027	27,397
6,560	6,010	7,960	6,929	5,875	3,936
	14,330		20,428	16,620	170,681
1,682,946	1,823,729	1,859,860	1,811,033	2,042,991	2,712,907
44					
			33,442		
			40		
1,682,990	1,823,729	1,859,860	1,844,515	2,042,991	2,712,907
1,682,946	1,812,306	1,859,860	1,794,638	2,029,552	2,574,040
304,573	363,968	429,150	503,846	740,783	873,997
231,014	331,345	315,522	317,758	344,439	582,782
537,229	565,489	582,394	495,023	495,477	533,633
169,063	147,960	144,100	148,769	140,800	158,057
200,962	122,502	143,107	130,319	114,487	247,894
44,364	51,762	7,670			
1,487,205	1,583,026	1,621,943	1,595,715	1,835,986	2,396,363

⁽⁴B) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at \$45-\$53.65 per ton; for FY 2000 the difference between Total Revenue Tons and Equivalent Revenue Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.



⁽⁵⁾ Clean yard trash was treated as regular trash due to citrus canker infestation during 1996 and 1997.

⁽⁶⁾ Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.

⁽⁷⁾ FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

⁽⁸⁾ For fiscal years starting with FY05, this figure includes biomass and primary fines to Northdade.

<u>Disposal</u> System (Unaudited)

Tonnages (continued)

	FY 1997	FY 1998	FY 1999	FY 2000	
FACILITY RECYCLING					
Clean Yard Trash (5)		21		16	
Tires to Vendors					
Metal to Vendors	19,182	24,755	28,720	25,494	
White Goods to Vendor					
Unders to Test					
Ash for Testing			24		
RTI Biomass Fuel (6)/(8)	64,537	5,952	25,949	102,316	
RTI Fines Recycling	17,136	4,128	17,104	27,648	
RTI On-Site Biomass	6,556			2,304	
RTI On-Site Fines Recycling	4,344	44,050	33,758	34,072	
Agripost					
Cow Project					
Total Facility Recycling	111,755	78,906	105,555	191,850	
RESOURCES RECOVERY PUT OR PAY	855,572	957,910	990,319	1,060,903	
TRANSFER STATION					
Central	187,874	167,197	202,953	205,614	
West	273,512	265,150	267,212	280,364	
Northeast	223,556	207,231	206,593	212,693	
Total Transfer Station	684,942	639,578	676,758	698,671	
Non Contractual Diversion	620,000	648,000	682,000	639,000	

⁽¹⁾ Trash includes oversize tires to North Dade Landfill.

⁽²⁾ Whole tires are accepted at Resources Recovery only.

⁽³⁾ Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste.

⁽⁴⁾ Total Revenue Tons figure excludes ash from Okeelanta to RR-Ashfill in FY 2000, pursuant to agreement accepted in lieu of fines. (4A) Total Tons figures herein were reported as Revenue Tons in filings prior to FY 2000. Disposal costs for construction tonnage (Ojus/OSD Waste and RR-Capital Expenses) were reimbursed from capital projects. (4B) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at \$45-\$53.65 per ton; for FY 2000 the difference between Total Revenue Tons and Equivalent Revenue Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
23		7			
34,889	32,983	36,024	34,978	30,319	29,924
14			7		
113,257	98,033	143,251	179,484	178,290	97,042
16,523					
8,824					
2,289					
					
<u>175,819</u>	131,016	179,282	<u>214,469</u>		126,966
4 400 004	4 407 700	1 004 005	4 400 575	4 400 000	1 0 1 1 0 0 0
1,136,801		1,221,605	1,183,575	1,122,880	1,241,000
211,237	232,772	234,982	232,381	183,042	214,439
260,088	280,642	293,371	278,503	299,472	304,329
212,720	214,398	204,049	229,297	219,444	247,797
684,045	727,812	732,402	740,181	701,958	766,565
709,000	555,000	726,000	709,000	699,000	583,508
		120,000	100,000	000,000	



⁽⁵⁾ Clean yard trash was treated as regular trash due to citrus canker infestation during 1996 and 1997.

⁽⁶⁾ Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.

⁽⁷⁾ FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

⁽⁸⁾ For fiscal years starting with FY05, this figure includes biomass and primary fines to Northdade.

TABLE III B
Disposal System (Unaudited)

Revenue Tons Source

TONNAGE BY SOURCE	FY 1997	FY 1998	FY 1999	FY 2000
Municipalities:				
Bal Harbour Village	5,500	5,378	5,662	6,095
Town of Bay Harbor Islands	87	107	126	172
Village of Biscayne Park	2,620	2,724	2,767	3,034
City of Coral Gables	33,891	36,123	37,560	41,713
Florida City				
Golden Beach	1	9		
City of Hialeah	66,684	78,707	80,075	82,404
Hialeah Gardens			402	779
City of Homestead	22,330	23,983	26,006	30,191
City of Miami	160,796	167,156	173,673	177,712
City of Miami Beach	1,709	1,735	2,117	3,257
Village of Miami Shores	6,550	8,109	8,253	7,904
City of Miami Springs	10,850	12,190	11,378	11,518
City of North Bay Village	3,649	3,697	3,637	3,831
City of North Miami	24,079	24,795	26,265	27,779
City of North Miami Beach	31,188	34,294	37,505	38,786
City of Opa-Locka	8,817	8,806	8,754	11,451
City of South Miami	10,678	10,794	10,425	10,416
Town of Surfside	4,305	4,440	4,404	4,639
City of Sweetwater	1,828	2,156	2,350	3,054
Virginia Gardens			1	
City of West Miami	2,946	2,901	3,122	3,338
Total Municipalities	398,508	428,104	444,482	468,073

⁽¹⁾ FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

⁽²⁾ Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at \$45-\$53.65 per ton; for FY2000 the difference between Total Rev. Tons & Eq. Rev. Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

⁽³⁾ Combined with other permit haulers in FY 2003.

⁽⁴⁾ In prior years, this tonnage figure was reported on table 4A. This tonnage represents landscaper activity at the landfills.

	11 2001	F1 2002	F1 2003	11 2004	F1 2005	11 2000
	5,634	5,536	5,762	5,855	6,069	6,056
	193	189	207	307	289	258
	2,765	2,750	2,211	2,459	2,612	2,552
	20,467	13,366	20,735	24,207	27,516	21,199
	1					32
	164	181	91	98	240	559
	83,468	85,711	87,216	88,978	91,956	91,021
	1,150	1,531	1,539	1,808	1,987	2,250
	31,343	33,186	37,996	40,130	44,900	59,443
	171,892	188,685	193,534	177,297	181,402	236,939
	2,579	4,189	4,387	4,351	5,648	6,008
	7,972	6,917	6,938	8,200	13,393	13,980
	10,360	10,377	11,481	11,944	10,648	5,719
	4,010	4,382	4,636	4,987	4,983	4,780
	27,729	28,027	25,385	27,234	30,332	36,856
	37,657	38,755	40,388	41,677	42,192	52,998
	8,913	9,214	9,335	77	235	658
	10,273	10,293	9,828	10,937	14,735	17,008
	4,771	4,882	5,035	5,240	5,225	5,140
	3,203	2,662	2,900	3,367	3,075	3,056
_	3,446	3,331	3,495	3,817	3,695	3,492
_	437,990	454,164	473,099	462,970	491,132	570,004

FY 2001 FY 2002 FY 2003 FY 2004 FY 2005 FY 2006



Disposal System (Unaudited)

Revenue Tons Source (continued)

	FY 1997	FY 1998	FY 1999	FY 2000
Permitted Haulers				
BFI	305,198	303,389	303,659	252,738
WMI	88,202	91,328	91,820	93,294
Onyx (3)			13,741	14,393
Other Permitted Haulers	59,699	49,950	63,785	72,986
Total Permitted Haulers	453,099	444,667	473,005	433,411
DSWM Collections	610,541	642,720	670,576	750,381
Permitted Landscapers				
DSWM County-wide Lot Clearing				16,609
Other Governmental	92,780	55,138	65,430	107,166
MRF and Namco Recycling Residue	196	100	86	14
Subtotal Full Fee Revenue Tons	1,555,124	1,570,729	1,653,579	1,775,654
Reduced Fee Cover Material	3,126	283		24,042
Total Revenue Tons	1,558,250	1,571,012	1,653,579	1,799,696
DSWM Construction Tons	156,677	3,148		
Closure debris from RR ashfill to ND				
DSWN furniture to ND (no fee)				
Resources Recovery Plant Demolition &				
Stormwater Drainage & Cleanout material				
Total Tons (1)	1,714,927	1,574,160	1,653,579	1,799,696
Equivalent Revenue Tons (2)	1,586,043	1,571,689	1,653,579	1,780,841

⁽¹⁾ FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

⁽²⁾ Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at \$45-\$53.65 per ton; for FY2000 the difference between Total Rev. Tons & Eq. Rev. Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

⁽³⁾ Combined with other permit haulers in FY 2003.

⁽⁴⁾ In prior years, this tonnage figure was reported on table 4A. This tonnage represents landscaper activity at the landfills.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
224,611	233,170	237,874	234,928	230,868	231,104
90,959	91,191	92,281	93,056	88,152	92,869
3,789	12,709				
78,116	95,009	90,675	99,038	139,328	253,578
397,475	432,079	420,830	427,022	458,348	577,551
768,670	843,696	885,765	834,101	971,212	1,234,483
				35,857 (4	4) 37,385
2,269	2,708	2,355	2,851	2,989	1,571
76,542	76,752	77,811	63,661	66,833	121,232
1,682,946	1,809,399	1,859,860	1,790,605	2,026,371	2,542,226
	14,330		20,428	16,620	170,681
1,682,946	1,823,729	1,859,860	1,811,033	2,042,991	2,712,907
			33,442		
			40		
44					
1,682,990	1,823,729	1,859,860	1,844,515	2,042,991	2,712,907
1,682,946	1,812,306	1,859,860	1,794,638	2,029,552	2,574,040



Collection System (Unaudited)

Tonnage by Type

	FY 1997	FY 1998	FY 1999	FY 2000
GARBAGE	331,542	345,258	363,136	382,100
TRASH				
Bulky Waste	51,881	57,749	57,607	69,438
Clean Yard Trash				
Total Bulky Waste	51,881	57,749	57,607	69,438
ILLEGAL DUMPING				
Illegal Dumped Waste	17,175	14,282	16,747	10,105
llegal Tires	2,237		1,395	1,394
Total Illegal Dumping	19,412	14,282	18,142	11,499
NEIGHBORHOOD TRASH & RECYCLING	CENTERS			
Trash (Household) (2)	167,689	162,239	162,380	155,706
Other Trash- Landscapers				
Clean Yard Trash				
Tires	1,202	1,064	973	880
Other Waste		60	84	32
Total Neighborhood T & R Center	168,891	163,363	163,437	156,618
GOVERNMENT ACCOUNTS				
Trash	3,725	3,588	4,786	4,867
Whole Tires	40	86	23	43
Total Trash Government Accounts	3,765	3,674	4,809	4,910
BI-WEEKLY YARD TRASH				
LOT CLEARING (CAT3)			703	1,656
ADOPT-A-SPOT				
SPECIAL CLEANUPS				
OVERSIZED VEHICLES FR T&R CENTER	ıs	807	650	1,220
DSWM LITTER PROGRAM				752
DEMOLITION TONNAGE		761		2,360
PERMITTED LANDSCAPERS	35,050	43,999	57,192	68,182
TOTAL TRASH	278,999	284,635	302,540	316,635
TOTAL TRASH AND GARBAGE	610,541	629,893	665,676	698,735

⁽¹⁾ From FY 05 and forward this tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.

⁽²⁾ Prior to FY 2004 these figures included Household & Non-household trash.

FY 2006

FY 2005

=	393,618	416,418	439,649	452,736	465,989	480,600
	72,537	71,426	75,947	91,603	97,327	128,440
					1,693	1,389
-	72,537	71,426	75,947	91,603	99,020	129,829
-						
	7 600	11 010	7 507	1 400	1 700	2,841
	7,628	11,910 1,102	7,597 698	1,488	1,738 274	340
-	1,268			500		
-	8,896	13,012	8,295	1,988	2,012	3,181
	193,857	233,962	249,179	159,875	148,782	136,656
				43,434	26,569	17,792
	779	860	945	929	757	766
	60	40	39	59	52	29
-	194,696	234,862	250,163	204,297	176,160	155,243
-						
	7,436	7,792	6,630	5,888	6,486	5,883
	7,400	60	17	92	28	142
-	7,507	7,852	6,647	5,980	6,514	6,025
-						
	6,205	5,709	4,061	868	1,185	
	146	11				
	1,427				17	
	1,350	955	759	680	563	534
	647	1,141	1,303	1,134	1,064	1,163
	2,322					
-	77,784	92,310	96,094	53,028 (1)		
	373,517	427,278	443,269	359,578	286,535	295,975
	767,135	843,696	882,918	812,314	752,524	776,575
-	,				. 52,52 1	

FY 2003

FY 2004

FY 2001

FY 2002



TABLE IV A
Collection System (Unaudited)

Tonnage by Type (continued)

	FY 1997	FY 1998	FY 1999	FY 2000
STORM RELATED TONNAGE		12,827	4,900	51,646
Garbage				
Trash (curbside)				
HURRICANE DEBRIS				
Roadway Clearance				
Trash & Recycling Centers				
Litter Program				
Oversized Vehicles from T&R Centers				
Government Accounts				
Stage Rejects				
Sage Mulch				
TOTAL STORM RE/ TONNAGE & HURRICANE DEBRIS	<u> </u>	12,827	4,900	51,646
TOTAL GARBAGE, TRASH & STORM RE/TONNAGE & HURRICANE DEBRIS	610,541	642,720	670,576	750,381
RECYCLED CLEAN YARD TRASH	-	-	-	-
DECYCLADLES /T 0 D CENTERS)				
RECYCLABLES (T & R CENTERS) Phone Books				
Newspaper/Cardboard	180			
Glass	100			
Aluminum				
Plastic Bottles				
White Goods	4,927	2,959	3,570	4,711
Ferrous Metal	,	,	,	,
TOTAL T&R RECYCLABLES	5,107	2,959	3,570	4,711
CURBSIDE RECYCLABLES				
Phone Books	81	81		
Newspaper/Cardboard	25,237	25,685	26,277	26,967
Glass Bottles	12,393	10,425	11,732	12,334
Aluminum	571	501	497	529
Plastic Bottles & Other Plastics	3,585	3,330	4,220	3,583
Steel Cans	2,335	1,924	1,907	2,133
			0	10
Batteries	7	3	8	10
Batteries Septic & Gable Containers	7 75	33	80	83

⁽¹⁾ From FY 05 and forward this tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1,535					
		278	1,724	2,462	2,808
		2,569	5,728	18,069	38,121
				173,798	127,731
			14,261	23,949	51,405
			3	72	78
				16	111
			71	322	316
					43,325
					194,013
1,535		2,847	21,787	218,688	457,908
768,670	843,696	885,765	834,101	971,212	1,234,483
E 455	4.004	0.445	0.700	0.000	0.700
5,155	4,064	6,415	6,729	6,060	6,799
5,155	4,064	6,415	6,729	6,060	6,799
32					
23,235	22,134	21,163	19,240	19,451	18,995
9,706	9,568	9,265	9,598	10,346	9,831
494	434	412	333	275	288
3,875	4,272	4,181	4,108	3,893	3,649
1,852	1,652	1,462	1,373	1,227	1,124
3					
126	114	124	1,418	120	130
_	38,174	36,607	36,070	35,312	34,017



Table IV B
Collection System (Unaudited)

Tonnage by Facility

	FY 1997	FY 1998	FY 1999	FY 2000
COLLECTIONS DISPOSAL				
Transfer Station				
Garbage	237,941	207,233	217,211	232,275
Storm Related Tonnage			101	19,147
Trash	125,915	100,101	109,414	115,174
Total Transfer Station	363,856	307,334	326,726	366,596
South Dade Landfill				
Garbage	73,866	82,227	84,965	91,133
Storm Related Tonnage		2,082	1,005	15,457
Trash	63,325	68,212	74,522	75,707
Clean Yard Trash	22,399	26,937	36,078	40,894
Total South Dade Landfill	159,590	179,458	196,570	223,191
North Dade Landfill				
Trash	51,758	65,577	54,308	43,407
Storm Related Tonnage		10,766	3,751	11,541
Clean Yard Trash	12,651	17,062	21,114	27,288
Total North Dade Landfill	64,409	93,405	79,173	82,236
Resource Recovery				
Garbage	19,716	55,798	60,960	58,692
Storm Related Tonnage		116	43	2,965
Trash	4,847	5,519	6,016	12,832
Clean Yard Trash				
Total Resource Recovery	24,563	61,433	67,019	74,489

Note: 1996-1998 fee: \$45/\$59 per ton, 1999 fee: \$45.65/\$60 per ton, 2000 fee: \$46.35/\$61 per ton, 2001 fee: \$47.95/\$63.15 per ton, 2002 fee: \$49.30/\$64.95 per ton, 2003 fee: \$49.65/\$65.45 per ton, 2004 fee: \$50.65/\$66.80 per ton, 2005 fee: \$52.25/\$68.90 per ton, 2006 fee: \$53.65/\$70.75 per ton.

⁽¹⁾ The eliminating entry between funds totaled approximately \$36.4million; it included certain other subobjects and excluded a minor part of the hurricane-disposal-cost-reclassification.

⁽²⁾ The eliminating figures herein exclude hurricane disposal costs elimination of approximately \$2 million.

⁽³⁾ The eliminating figures herein exclude hurricane disposal costs elimination of approximately \$2.4 million.

	Y 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
25	51,447	279,377	290,375	293,249	314,743	311,735
	904		1,724	2,237	13,168	12,504
11	12,877	125,414	111,224	108,304	84,383	96,181
36	65,228	404,791	403,323	403,790	412,294	420,420
8	38,716	93,347	104,841	112,004	116,409	117,623
	357			7,092	158,188	235,653
3	88,806	99,265	114,305	97,418	94,368	148,586
	45,438	56,382	59,290	30,320		
22	23,317	248,994	278,436	246,834	368,965	501,862
6	65,703	72,414	77,540	52,398	66,779	59,499
6	65,703 207	72,414	77,540 983	52,398 7,568	66,779 41,217	59,499 185,275
	207		983	7,568	66,779 41,217	59,499 185,275
3		72,414 35,928 108,342				
3	207 32,346	35,928	983 36,572	7,568	41,217	185,275
	207 32,346 98,256	35,928 108,342	983 36,572 115,095	7,568 16,929 76,895	41,217	185,275
	207 32,346	35,928	983 36,572	7,568 16,929 76,895	41,217 	185,275 244,774 51,242
	207 32,346 98,256 53,455 67	35,928 108,342 43,694	983 36,572 115,095 44,433 140	7,568 16,929 76,895 47,483 4,890	41,217 	185,275 244,774 51,242 6,475
	207 32,346 98,256	35,928 108,342	983 36,572 115,095	7,568 16,929 76,895	41,217 	185,275 244,774 51,242



TABLE IV B
Collection System (Unaudited)

Tonnage by Facility (continued)

	FY 1997	FY 1998	FY 1999	FY 2000
Medley Landfill				
Garbage	19			
Storm Related Tonnage				2,536
Trash	104	1,090	1,088	1,333
Total Medley Landfill	123	1,090	1,088	3,869
SUMMARY				
Collections Disposal				
Garbage	331,542	345,258	363,136	382,100
Storm Related Tonnage			4,900	51,646
Trash	245,949	240,636	245,348	248,453
Clean Yard Trash	35,050	43,999	57,192	68,182
Total Collections Disposal	612,541	629,893	670,576	750,381
DISPOSAL FEE SUMMARY				
GARBAGE DIVISION	\$17,109,665	\$17,404,511	\$18,304,790	\$19,692,082
TRASH DIVISION	\$13,874,309	\$13,829,497	\$15,039,927	\$15,734,090
Total Collections	\$30,983,974	\$31,234,008	\$33,344,717	\$35,426,172
Sweetwater Tonnage & Disposal Fee Summary				
Disposal Fee (Trash Division)	\$98,875	\$115,445	\$128,682	\$169,395
Total Disposal Fees paid by Collection	\$31,082,849	\$31,349,453	\$33,473,399	\$35,595,567 (1)

Note: 1996-1998 fee: \$45/\$59 per ton, 1999 fee: \$45.65/\$60 per ton, 2000 fee: \$46.35/\$61 per ton, 2001 fee: \$47.95/\$63.15 per ton, 2002 fee:\$49.30/\$64.95 per ton, 2003 fee:\$49.65/\$65.45 per ton, 2004 fee:\$50.65/\$66.80 per ton, 2005 fee:\$52.25/\$68.90 per ton. (1) The eliminating entry between funds totaled approximately \$36.4million; it included certain other subobjects and excluded a minor part of the hurricane-disposal-cost-reclassification.

⁽²⁾ The eliminating figures herein exclude hurricane disposal costs elimination of approximately \$2 million.

⁽³⁾ The eliminating figures herein exclude hurricane disposal costs elimination of approximately \$2.4 million.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1,157	620	744	386	212	180
1,157	620	744	386	212	180
393,618	416,418	439,649	452,736	465,989	480,600
1,535		2,847	21,787	218,688	439,907
295,733	334,968	347,175	306,550	286,535	313,976
77,784	92,310	96,094	53,028		
768,670	843,696	885,765	834,101	971,212	1,234,483
\$21,234,346	\$23,331,593	\$22,445,338	\$25,946,874	\$27,636,798	\$29,074,940
\$19,041,895	\$22,293,426	\$25,532,622	\$20,381,568	\$15,969,195	\$16,277,750
\$40,276,241	\$45,625,019	\$47,977,960	\$46,328,442	\$43,605,993	\$45,352,690
\$185,779	\$146,252	\$172,440	\$204,047	\$191,768	\$196,341



TABLE V
Collection System (Unaudited)

Customer Statistics

	FY 1997	FY 1998	FY 1999	FY 2000
HOUSEHOLDS (5)				
Units as of October 1st	254,900	264,600	269,710	275,026
Units as of September 30th	264,600	269,710	275,026	280,053
Billed by Tax	254,174	263,169	273,459	278,749
Billed October 1st	740	782	850	787
Net Growth	6,200	5,072	5,316	5,027
Take-in- area (4)	3,600			
Average Annual Number of Units	261,000	267,000	272,497	277,377
HOUSEHOLD/COMMERCIAL (6)				
Units as of October 1 (1)	3,900	3,900	3,868	3,849
Billed by Tax	2,900	2,900	2,891	2,860
Billed During the Year	1,000	1,000	973	973
Average Annual Number of Units	3,900	3,900	3,864	3,853
CITY OF MIAMI HUD				
Households (5)	100	100	104	104
Household/commercial (6)	970	970	973	973
COMMERCIAL:				
Units as of October 1	1,300	1,300	1,225	1,145
Average Annual Units	1,280	1,240	1,168	1,090
Rollaway (Dumpsters)	30	30	28	29
RECYCLING:				
Outside Department Service Area-Household (2)	5,600	5,500	5,118	4,915
Participating Municipalities Households	23,000	23,000	23,056	23,056
LANDSCAPE PERMITS				
Permits	900	1,000	1,093	1,067
Trucks	1,100	1,200	1,362	1,424
Fee Per Unit (Collection's Service)				
Fee Including Recycling)	\$349	\$349	\$349	\$349
Waste Collected by Department as % of Total Tipped (3)	39.20%	39.50%	40.55%	42.14%

⁽¹⁾ Change in method beginning fiscal year 1995 from number of waste units of living units billed.

⁽²⁾ Reduction after fiscal 1996 due to expanded take-in areas.

⁽³⁾ FY 1996 on total equivalent revenue tons used.

⁽⁴⁾ Residential Units due to take-in area.

⁽⁵⁾ Households include residential dumpsters and City of Miami HUD households.

⁽⁶⁾ Household/Commercial include City of Miami HUD Commercial

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
280 053	285 540	200 153	206 060	302 313	309,907
					319,064
					311,897
					919
					9,157
3,430	4,004	0,010	0,044	7,554	3,137
282,593	287,926	293,410	299,747	306,713	314,647
3,837	3,804	3,646	3,673	3,673	3,711
2,845	2,822	2,792	2,803	2,832	2,894
972	873	857	870	841	857
3,827	3,667	3,685	3,673	3,685	3,732
104	104	104	104	104	104
972	873	857	857	857	857
1.076	1.004	960	896	880	876
					880
					29
20	20	25	25	20	20
4.704	4.000	0.000	0.050	0.100	0.707
					2,797
23,056	23,056	23,104	23,137	23,293	23,096
1,178	1,234	1,080	791	848	708
	1 011	1,431	1,046	1,259	933
1,561	1,611	1,401	· · · · · · · · · · · · · · · · · · ·		
1,561	1,611	1,401	,		
1,561 \$349	1,611 \$349	\$349	\$399	\$399	\$399
	280,053 285,549 284,053 645 5,496 282,593 3,837 2,845 972 3,827 104 972 1,076 1,021 28 4,784 23,056	280,053 285,549 285,549 290,153 284,053 289,178 645 343 5,496 4,604 282,593 287,926 3,837 3,804 2,845 2,822 972 873 3,827 3,667 104 104 972 873 1,076 1,004 1,021 977 28 28 4,784 4,320 23,056 23,056	280,053 285,549 290,153 296,969 284,053 289,178 295,733 645 343 736 5,496 4,604 6,816 282,593 287,926 293,410 3,837 3,804 3,646 2,845 2,822 2,792 972 873 857 3,827 3,667 3,685 104 104 104 972 873 857 1,076 1,004 960 1,021 977 916 28 28 29 4,784 4,320 3,363 23,056 23,056 23,104	280,053 285,549 290,153 296,969 302,313 284,053 289,178 295,733 301,007 645 343 736 522 5,496 4,604 6,816 5,344 282,593 287,926 293,410 299,747 3,837 3,804 3,646 3,673 2,845 2,822 2,792 2,803 972 873 857 870 3,827 3,667 3,685 3,673 1,076 1,004 960 896 1,021 977 916 880 28 28 29 29 4,784 4,320 3,363 3,259 23,056 23,056 23,104 23,137	280,053 285,549 290,153 296,969 302,313 309,907 284,053 289,178 295,733 301,007 306,037 645 343 736 522 731 5,496 4,604 6,816 5,344 7,594 7,594 7,594 282,593 287,926 293,410 299,747 306,713 306,713 3,673 3,673 2,832 2,845 2,822 2,792 2,803 2,832 9,72 873 857 870 841 3,685 3,673 3,685 3,685 104 104 104 104 104 972 873 857 857 857 1,076 1,004 960 896 880 870 28 28 29 29 29 29 4,784 4,320 3,363 3,259 3,189 23,056 23,056 23,104 23,137 23,293



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Revenue by Type (Unaudited)

TYPE	DESCRIPTION	FY 2004	FY 2005	FY 2006
Collections Revenue	Received for curbside collection of garbage and trash. Customers as equivalent residential units at September 30, 2006, 2005 and 2004 were 319,064, 309,907 and 302,313, respectively. DSWM provides solid waste collection service to unincorporated Miami-Dade County residential units (single-family, townhomes, cluster homes, etc.). Additionally, DSWM provides waste collection services to the City of Sweetwater through a long-term interlocal agreement. In November 1995, the City of Aventura entered into an interlocal agreement authorizing the County to provide waste collection services on an interim basis. DSWM continues to provide these services to the City of Aventura although the original agreement is no longer in effect; however, the number of units served is minimal (approximately 200 units). DSWM serves the Village of Pinecrest, Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens, the City of Doral and the Town of Cutler Bay; all these pursuant to Ordinance 96-30.	\$ 123,224	\$ 125,184	
Tipping Fees	The County charges tipping fees for use of its disposal facilities. Municipalities with long term interlocal agreements received disposal services at a disposal fee of \$53.65, \$52.25, and \$50.65 per ton during fiscal years 2006, 2005 and 2004, respectively. These fees are subject to annual increases based on Consumer Price Index (CPI). There were 18 cities with interlocal agreements as of September 30, 2006. Private haulers with long term contracts for disposal also received the \$53.65 tipping fee per ton; at September 30, 2006, 18 private haulers were receiving the lower fee. County agencies also received the \$53.65 tipping fee. For waste delivered to one of the County's regional transfer stations the additional charge was \$10.60 per ton during fiscal year 2006. The non-contractual rate was \$70.75 per ton during fiscal			
	year 2006.	53,066	74,407	95,530
Medley Surcharge	The Department receives a surcharge on each ton of waste disposed at the Medley Landfill by Waste Management, pursuant to the agreement approved by the Board of County Commissioners on July 21, 1998.	715	841	974
Electrical Revenue	The Department receives electrical revenue from the sale of electricity produced at the Resources Recovery waste-to-energy facility.	16,593	17,504	23,123
Utility Service Fee	Revenues directed to the DSWM based on 3 1/2% out of the 7 1/2% surcharge on water and waste water bills countywide. By code limited to closure, postclosure care and other groundwater protection programs.	15,798	16,657	17,665
Disposal Facility Fee	Since fiscal year 1996, private haulers have been assessed a fee based on a percentage of their gross receipts from their customers located in unincorporated Miami-Dade County. The fee has been 15% in fiscal years 2004, 2005 and 2006. The fee is used to ensure capacity in operations.	8,286	8,955	10,965
Other Operating Revenue	Includes office rental income, parking facilities revenue, code enforcement fines, permit fees, UMSA and other miscellaneous income.	4,290	4,167	4,704
Total		\$ 221,972	\$ 247,715	\$ 281,140



Resources Recovery (Unaudited)

Electrical Revenues						
	FY 1997 (1)	FY 1998	FY 1999		FY 2000	
Total Electrical Revenue	\$10,228,431	\$10,463,315	\$12,790,773	_ =	\$15,671,226	(2)
Deducted Expenses:						
Electricity Costs	\$319,473	\$218,493	\$212,274		\$282,061	
011 - 10 - 10 - 1	A4 000 455	# 4 550 400	A 4 400 040	(4)	* 045 400	(0)(4)
Other Related Costs	\$1,800,455	\$1,552,162	\$1,462,010	(4)	\$1,015,133	(3)(4)
Net Miami-Dade County Revenue	\$4,178,811	\$4,476,931	\$5,663,563		\$7,328,046	
Hot Main Bade Goanty Hevende	Ψ1,170,011	Ψ1,170,001	40,000,000		ψ1,020,010	
Net Montenay Power Corporate Revenue	¢2 710 000	Φ4 166 014	ΦE 4E0 006		\$7.04E.096	
nevellue	\$3,710,980	\$4,166,814	\$5,452,926		\$7,045,986	
KWH Produced	220,496,000	270,281,000	291,859,000		269,207,000	
	,,		20.,000,000		,	

⁽¹⁾ Reflects the effects of a fire June 30, 1997 in the facility's fuel conveyors. The facility did not produce electricity until the end of August 1997.

⁽²⁾ Includes a one time payment of \$2.15 million pursuant to a settlement agreement among FPC, the Operator and the County.

⁽³⁾ Includes transmission charges adjustments totaling approximately \$765,000.

⁽⁴⁾ FY 99-2000 figures herein have been revised to include FPC & Doral Station costs.

FY 20	01 FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
\$15,080,9	963 \$16,383,434	\$19,194,513	\$16,592,996	\$17,503,843	\$23,123,631
			_		
\$294,9	945 \$374,033	\$378,702	\$323,197	\$346,003	\$256,610
Ψ20-1,ν	φο <i>τ</i> 4,000	ψ070,702	φο20,101	ψ0-10,000	Ψ200,010
\$1,369,	932 \$1,459,016	\$1,452,834	\$1,434,003	\$1,428,529	\$1,557,725
ψ1,000,3	φ1,439,010	ψ1,402,004	ψ1,454,005	ψ1,420,329	Ψ1,007,720
PC 055	E10	#0.070.020	¢7.570.407	\$9,007,657	¢10.700.050
\$6,855,	512 \$7,462,209	\$8,870,839	\$7,579,497	\$8,037,657	\$10,782,953
\$6,560,	574 \$7,088,176	\$8,492,137	\$7,256,299	\$7,691,654	\$10,526,343
288,535,0	277,327,000	297,098,000	250,563,000	233,258,000	293,247,000



TABLE VIII Home Chemical Collection Program (Unaudited)

	FY 1997	FY 1998	FY 1999	FY 2000
PARTICIPANTS				
Florida International University - North				
Miami Dade Community College - North			44	40
Miami Dade Community College - South		667	440	348
South Dade Government Center				
Biscayne Greyhound Track				
Homestead	324		109	115
Joe Robbie Stadium				
Permanent Center			474	769
Total Participants	324	667	1,067	1,272
POUNDS COLLECTED				
Florida International University - North				
Miami Dade Community College - North			2,992	2,869
Miami Dade Community College - South		64,201	29,877	27,959
South Dade Government Center				
Biscayne Greyhound Track				
Homestead	36,375		5,609	18,628
Joe Robbie Stadium				
Homestead				
Permanent Center **	305,819		195,960	380,196
Total Pounds Collected	342,194	64,201	234,438	429,652
TOTAL VENDOR DISPOSAL COST				
Florida International University - North				
Miami Dade Community College - North			3,410	\$14,494
Miami Dade Community College - South		\$50,731	\$34,060	\$36,391
South Dade Government Center				
Biscayne Greyhound Track				
Homestead	\$45,219		11,323	\$19,846
Joe Robbie Stadium				
Permanent Center	\$51,288		76,436	\$98,923
Total Cost	\$96,507	\$50,731	\$125,229	\$169,654
Average Cost Per Pound	\$0.28	\$0.79	\$0.53	\$0.39
Average Cost Per Participant	N/A	\$76	\$117	\$133

Area specific programs were discontinued in fiscal year 1995 in favor of a permanent drop-off site.

** Includes used oil dropped off at T & R Centers

⁽¹⁾ Figures reported in 1998 have been revised herein.

⁽²⁾ Reinstated mobile events for unincorporated areas in 1999.

⁽³⁾ Permanent Center includes used oil collection.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 200
	115	92	98	123	
87					
618	646	475			
			298	227	
130	94	42	73		32
1,005	1,538	1,656	1,738	2,170	2,317
1,840	2,393	2,265	2,207	2,520	2,349
	45.704	0.744	7.040	40.004	
4.500	15,791	6,711	7,916	12,601	
4,533	00.440	04.044			
29,844	99,418	21,941	40.404	00.005	
			13,484	23,335	
8,513	11,726	6,698	9 600		1,974
6,515	11,720	0,090	8,629		1,972
380,228	394,389	264,360	224,015	277,722	279,493
423,118	521,324	299,710	254,044	313,658	281,467
	\$13,746	\$13,861	\$15,256	\$14,383	
\$12,887					
\$35,789	\$36,399	\$25,881			
			\$18,599	\$23,170	
\$15,067	\$14,851	\$12,425	\$11,567		\$9,682
\$216,912	\$133,050	\$129,824	\$170,039	\$210,654	\$128,542
\$280,655	\$198,046	\$181,991	\$215,461	\$248,207	\$138,224
\$0.66	\$0.38	\$0.61	\$0.85	\$0.79	\$0.49
\$153	\$83	\$80	\$98	\$98	\$59

⁽⁴⁾ Conversion for used oil is 8 pounds per gallon.



⁽⁵⁾ Florida International Univ. (North Campus) selected as new "North" site in FY2002.

⁽⁶⁾ This table excludes figures for latex paint and e-waste.

⁽⁷⁾ Heavy rains all day during Spring Event (FIU & MDCC South).

Demographic and Economic Indicators (Unaudited)

Selected years 1997-2006

	FY 1997	FY 1998	FY 1999	FY 2000
Population	2,157,208	2,189,719	2,221,630	2,253,485
Increase/(Decrease)	32,323	32,511	31,911	31,855
Annual percentage change	1.5%	1.5%	1.5%	1.4%
Personal Income	\$47,241,852	\$50,612,433	\$53,414,335	\$57,922,341
Per Capita Personal Income	\$21,888	\$23,216	\$24,050	\$25,626
Unemployment Rate	7.6%	7.0%	5.9%	5.1%

Principal Employers: Miami-Dade County Public Schools, Miami-Dade County, U.S. Federal Government, Florida State Government, Baptist Health Systems of South Florida, Jackson Health System, University of Miami, American Airlines, Miami-Dade College, Precision Response Corporation, Bellsouth Corporation-Florida, Florida Power & Light Company, Macys Department Stores, Winn-Dixie Stores, City of Miami, Publix Super Markets.

N/A - Information is not available as of 3/31/2007.

Source: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis/Regional Economic Information System.

Florida Agency for Workforce Innovation, Labor Market Statistics.

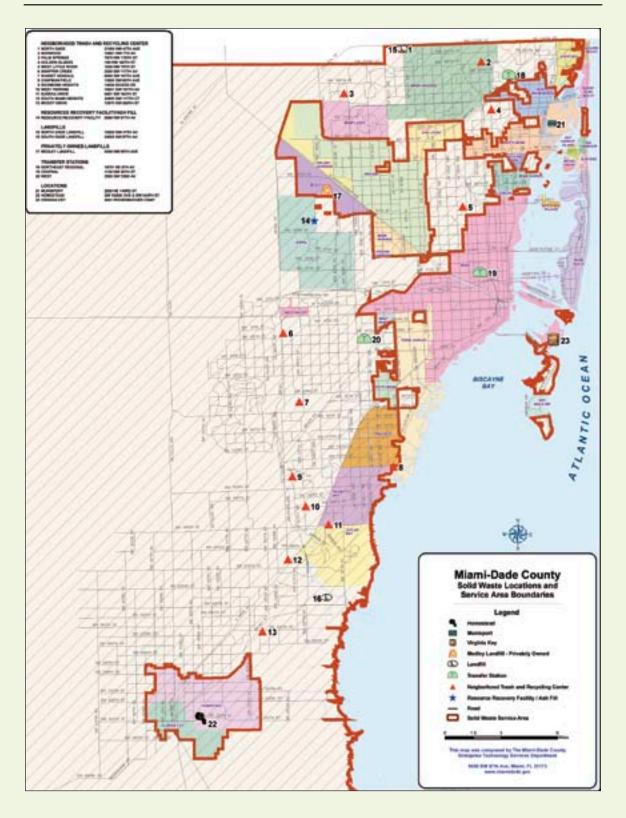
U.S. Census Bureau, 2000 Census Population, and 2001 to 2005 American Community Survey.

Miami-Dade County, Department of Planning and Zoning, Research Section.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
2,283,319	2,313,047	2,342,739	2,372,418	2,042,105	2,431,819
29,834	29,728	29,692	29,679	29,687	29,714
1.3%	1.3%	1.3%	1.3%	1.3%	1.2%
\$60,401,717	\$62,664,565	\$64,630,566	\$68,582,602	N/A	N/A
\$26,414	\$27,074	\$27,670	\$29,076	N/A	N/A
6.1%	6.6%	5.9%	5.4%	4.3%	3.8%



TABLE X
Solid Waste Locations and Service Area Boundaries



Insurance in Force (Unaudited)

Type of Coverage and Insurance Company	Policy Number/ Policy Period	Details of Coverage	Limit of Liability
Public Employees Blanket Bond:			
Fidelity & Deposit Co. of Maryland	CCP001342109 08/19/06-8/19/07	Employees Dishonesty	\$1,000,000 blanket bond \$ 50,000 deductible
Accidental Death:			
Hartford Life Insurance Company	ETB-105355 8/29/06-2007	Accidental Death and Dismemberment	\$ 25,000
Property Insurance:			
Various companies	5/03/06-5/03/07	Real & Personal Property	various
Automobile Liability:	N/A continuous	Self-insured fund	\$ 100,000 per person \$ 200,000 per occurrence pursuant to F.S. 768.28
General Liability:	N/A continuous	Self-insured fund	\$ 100,000 per person \$ 200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation	N/A	Self-insured fund	Statutory coverage F.S. 440



Schedule of Debt Service Coverage and Outstanding Debt Ratio (Unaudited)

Last Ten Years (in thousands)	FY 1997	FY 1998	FY 1999	FY 2000
FIRST TIER TEST	F1 199 <i>1</i>	F1 1990	F1 1999	F1 2000
Adjusted net operating revenues (1)/(1a)	\$41,277	\$44,519	\$38,205	\$35,417
Debt service requirements (1b) (6)	\$15,260	\$11,207	\$15,919	\$15,932
Actual Coverage (4)	2.70	3.65	2.40	2.22
Required coverage	1.20	1.20	1.20	1.20
SECOND TIER TEST				
Adjusted net revenues	(5)	(5)	(5)	(5)
County pledged revenue (2)	(5)	(5)	(5)	(5)
Guaranteed Entitlement (3)				
Total Revenues	(5)	(5)	(5)	(5)
Debt service requirements (5)	(5)	(5)	(5)	(5)
Actual coverage (4)	(5)	(5)	(5)	(5)
Required coverage	(5)	(5)	(5)	(5)

- (1) Adjusted net operating revenues include: Operating revenues plus intergovernmental revenue used in the calculation of debt service coverage, less operating expenses (prior to depreciation and expense for assumption of liability of closure and postclosure care costs for inactive landfills) plus certain interest income defined as revenues by debt instruments. UMSA funds were included through fiscal year 1995 and resumed in fiscal year 1999. Gross contributions reflected in fiscal years 2002 and 2001. Statements of Revenues and Expenses in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions (see footnote 6 to the financial statements), have been excluded from this calculation. Fiscal year 2001 operating expenses (before depreciation and closure & postclosure care costs for inactive landfills) include an amortization credit of \$8.1million in closure & postclosure care costs for active landfills (see footnote 10 to the financial statements).
- (1a) Fiscal year 2003 adjusted net operating revenues figure herein includes \$4.7M from rate stabilization (representing 20% of adjusted NOR FY2002 reported above which includes \$7.6 M from rate stabilization).
 Fiscal year 2002 adjusted net operating revenues figure herein includes \$7.6M from rate stabilization (representing 20% of adjusted NOR FY2001 reported above).
- (1b) Figures for debt service requirements are reflected on an accrual basis herein while the figures on the footnotes to the financial statements represent future requirements on a cash/maturity basis.

Refunding Bonds Balance, Net	\$104,449	\$98,163	\$92,763	\$87,106
Equivalent Revenue Tons	1,586	1,572	1,654	1,781
Outstanding Debt Ratio	65.9	62.4	56.1	48.9
Bond Anticipation Notes, Net	\$50,000	\$0	\$0	\$0
Equivalent Revenue Tons	1,586	1,572	1,654	1,781
Outstanding Debt Ratio	31.5	0.0	0.0	0.0
Revenue Bonds Balance, Net	\$0	\$60,000	\$60,000	\$58,460
Equivalent Revenue Tons	1,586	1,572	1,654	1,781
Outstanding Debt Ratio	0.0	38.2	36.3	32.8
Capital Asset Acquision Bonds, Net	\$0	\$0	\$0	\$0
House Hold Units	261	267	272	277
Outstanding Debt Ratio	0.0	0.0	0.0	0.0
Sunshine State Loans, Net	\$0	\$0	\$0	\$0
House Hold Units	261	267	272	277
Outstanding Debt Ratio	0.0	0.0	0.0	0.0

^{*}In this presentation all debt figures are reflected net of unamortized premium/discount/deferred charges for the corresponding period being reported.

FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
\$38,008	\$23,555	\$26,054	\$32,869	\$44,766	\$60,949
\$17,140	\$17,987	\$18,018	\$18,026	\$18,966	\$20,092
2.22	1.31	1.45	1.82	2.36	3.03
1.20	1.20	1.20	1.20	1.20	1.20
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)

- (2) Pledged revenues include occupational licenses fees, beverages licenses fees, licenses plate fees, and auto title fees. These revenues are pledged by Miami-Dade County.
- (3) Represents the County's additional pledge of 10% of the available Guaranteed Entitlement funds.
- (4) The Department did not achieve coverage requirements for fiscal year 1996, due to recording of expenses related to future closure and postclosure care costs for inactive landfill responsibilities assumed by the Department in 1996. In January 1997, all debt constituting "Debt Service Requirements" above was refunded (see footnote 4 to the financial statements). If the fiscal year 2001 amortization credit of \$8.1million in closure & postclosure care costs for active landfills was excluded from the calculation herein (see footnote (1) above), debt service coverage would change from 2.22 to 1.74.
- (5) During fiscal year 1997 the Department refunded all senior lien direct obligation debt. New coverage requirements on the refunding bonds has only one coverage test of 1.2 times the current year's annual debt service requirement.
- (6) The debt service requirement herein does not include any amount associated with accretion for Capital Appreciation Bonds portion of Series 2005.

\$81,912	\$75,656	\$69,092	\$62,176	\$54,866	\$47,105
1,683	1,812	1,860	1,795	2,030	2,574
48.7	41.8	37.1	34.6	27.0	18.3
\$0	\$0	\$0	\$0	\$0	\$0
1,683	1,812	1,860	1,795	2,030	2,574
0.0	0.0	0.0	0.0	0.0	0.0
\$96,645	\$94,533	\$92,335	\$90,048	\$163,670	\$163,375
1,683	1,812	1,860	1,795	2,030	2,574
57.4	52.2	49.6	50.2	80.6	63.5
\$0	\$23,120	\$22,740	\$23,737	\$21,657	\$19,283
283	288	293	300	307	315
0.0	80.3	77.6	79.1	70.5	61.2
\$0	\$0	\$0	\$0	\$10,289	\$11,313
283	288	293	300	307	315
0.0	0.0	0.0	0.0	33.5	35.9



Schedule of Major Contracts and Agreements - Operating (Unaudited)

	Fees/Rates Effective October 1,			Expenses Recorded (in millions)		
	2004	2005	2005	FY 2004	FY 2005	FY 2006
Agreement for the management and operation of the County-owned Resources Recovery Facility:						
* Pursuant to the amendment adopted by the Board of County Commissioners on August 2, 2004, the contract with the Operator has been extended through 2023, with four five year options to renew. Prior to the amendment, the contract was due to expire in 2013.						
* The County guarantees up to 1,206,000 tons annually, if available:						
On-site waste: 936,000 tons (a)						
RTI: 270,000 tons						
(a) Depending on the amount of garbage & trash available to the County.						
* As part of the amendment, beginning in fiscal year 2005, the Operator may request additional (1) on-site waste (25,000 tons per year increasing gradually to 100,000 tons maximum in FY 2010).						
* Tipping Fees (main categories) /rates per ton:						
On-site waste up to 702,000 tons.	\$31.95	\$32.80	\$34.29			
On-site waste in excess of 702,000 (702,001 tons - 936,000 tons)	\$25.90	\$26.59	\$27.79			
On-site waste in excess of 936,000, (936,001 tons - 1,036,000 tons)	\$16.80 (1)	\$17.25	\$18.03			
Scrubbers	\$7.76	\$7.97	\$8.33			
RTI	\$27.46	\$28.19	\$29.47			
Fee increases limited to CPI, change-in-law and contract-renegotiation.						
* Expenses recorded for Capital Tipping Fees and Oper. & Management Tipping Fees				\$53.8	\$52.6	\$52.1
Agreement with Waste Management Inc. of Florida for waste delivery to the Waste Management Landfill located in Medley, Florida:						
* Twenty year term contract which ends in 2015, with 2 additional 5-year renewal options.						
* The County to deliver between 100,000 and 120,000 tons per year.						
* Guaranteed capacity to the County up to 500,000 per tons per year (including alternate landfill).						
* Fees/rates per ton billed to the County:						
First 100,000 tons delivered.	\$28.15	\$28.90	\$30.21			
First 20,000 tons delivered in excess of 100,000.	\$22.98	\$23.59	\$24.67			
First 20,000 tons delivered in excess of 120,000.	\$21.83	\$22.41	\$23.42			
Fee increases limited to CPI and change-in-law.						
* County receives surcharge for all non-DSWM waste delivered to Medley.						
* Expenses recorded				\$3.4	\$3.1	\$6.8

	Fees/Rate	es Effective (Effective October 1, Expenses Recorded (in n		Expenses Recorded (in m	
	2004	2005	2006	FY 2004	FY 2005	FY 2006
Agreement with Wheelabrator South Broward, Inc. for waste delivery to the South Broward Waste to Energy Facility:						
* Annual contract (approved in December 1995), with 9 renewal options, 6 sole-options for Wheelabrator and 3 mutual-options.						
(2) During fiscal year 2003, the Department exercised its option not to renew the contract.						
* The County to deliver upon request up to 100,000 tons per year.						
* Fees/rates per ton billed to the County, changes if any are effective every January 1st. Fee increases limited to CPI (capped at 5% per year) and change-in-law.	(2)	(2)	(2)			
* Expenses recorded				(2)	(2)	(2)
Agreement with Browning-Ferris Industries d/b/a Community Recycling for curbside recycling:						
* Contract as amended on 10/95 ends in 2006.						
* Fees/rates per ton billed to the County. Fee increases limited to CPI	\$2.65	\$2.72	\$2.87			
* Expenses recorded				\$9.5	\$10.6	\$11.0



TABLE XIV

Schedule of Major Disposal Delivery Agreements (Unaudited)

	Fees/Rate	es Effective	October 1,
	2004	2005	2006
Interlocal (long-term disposal delivery) agreements with 18 municipalities in the County:			
* 20-year term contracts, which end in 2015 (except West Miami, Homestead and North Miami).			
* The County guarantees to meet level-of-service standard for disposal capacity (concurrency).			
* Municipalities agree to deliver all tonnage collected and to direct contracted/ franchise haulers.			
* Tipping Fees/rates per ton:	\$52.25	\$53.65	\$56.05
Transfer Fees/rates per ton:	\$10.35	\$10.60	\$11.05
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Browning-Ferris Industries (BFI):			
* Pursuant to amendment adopted by the Board of County Commissioners on July 26, 2001, the contract term is through 2015, with two 5-year mutual options to renew. Prior to the amendment, 20-year term contract to 2015, with 10-year termination provision in 2005.			
* In consideration for the term extension, 220,000 tons per year delivery requirement (plus additional 10,000 tons per year for 5 consecutive years, beginning October 1, 2001). Prior to the amendment, 300,000 tons per year delivery requirement or all tons collected.			
* Hauler will deliver at least 75,000 tons of its commitment to County transfer stations at additional transfer fee per ton. Prior to the amendment this requirement was for 100,000 tons.			
* Tipping Fees/rates per ton:	\$52.25	\$53.65	\$56.05
Transfer Fees/rates per ton:	\$10.35	\$10.60	\$11.05
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Waste Management:			
* 20-year term contract to 2015, with two 5-year mutual options to renew.			
* 91,000 tons per year delivery requirement or all tons collected. (88,400 tons if County delivers less than 120,000 tons annualy to Medley Landfill (see Table 13 in this report)).			
* Tipping Fees/rates per ton:	\$52.25	\$53.65	\$56.05
Transfer Fees/rates per ton:	\$10.35	\$10.60	\$11.05
Fee increases limited by CPI and change-in-law.			

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Operating Information (Unaudited)

Last Ten Years

	FY 1997	FY 1998	FY 1999
Number of Employees:			
Disposal System	N/A	N/A	253
Collection System	N/A	N/A	799
Concention dystem	N/A	N/A	1,052
			1,002
Operating Indicators:			
Disposal System			
Equivalent Revenue Tons	1,586,043	1,571,689	1,653,579
Collection System			
Residential:			
Average Annual Number of Units	261,000	267,000	272,497
Commercial Units:			
Household/Commercial Average			
Annual Number of Units	3,900	3,900	3,864
Commercial Average Annual			
Number of Units	1,280	1,240	1,168
Capital Assets Information:			
Disposal System			
Active Landfills	3	3	3
Transfer Stations	3	3	3
Waste-to-Energy Plant	1	1	1
Collection System			
Division Sites	3	3	3
Trash and Recycling Centers TRCs	15	14	14
, 0			

N/A - Information is not available as of 3/31/2007.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
260	259	263	263	257	311	315
830	847	858	857	843	745	699
1,090	1,106	1,121	1,120	1,100	1,056	1,014
1,780,841	1,682,946	1,812,306	1,859,860	1,794,638	2,029,552	2,574,040
277,377	282,593	287,926	293,410	299,747	306,713	314,647
3,853	3,827	3,667	3,685	3,673	3,685	3,732
1,090	1,021	977	916	880	870	880
3	3	3	3	3	3	3
3	3		3			
		3		3	3	3
1	1	1	1	1	1	1
3	3	3	3	3	3	3
14	14	14	14	14	13	13



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